

51. Memorandum From the President's Deputy Special Assistant (Bator) to the Executive Secretary of the Department of State (Read)¹

Washington, June 23, 1965.

SUBJECT

Japanese Aviation Negotiations

The President has authorized the Department to resume negotiations with Japan on the basis of the position proposed in the May 29 memorandum of the Under Secretary for Economic Affairs,² amended as follows:

Our minimum conditions should include the first two optional concessions listed in the enclosure to the May 29 memorandum: (1) Japanese recognition of the United States right to operate air services beyond Japan to mainland Asia and Europe; (2) Japanese recognition of the right to operate all-cargo services under the Civil Air Transport Agreement.³

Francis M. Bator

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 JAPAN-US. Confidential.

² Document 49.

³ Additional documentation on the aviation question is in the National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 JAPAN-US, POL JAPAN-US, and AV 9 JAPAN-US. An agreement reflecting Mann's proposals (Document 49) was finalized by an exchange of notes on December 28. The text of the notes is in 16 UST 2029.

52. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara¹

JCSM–537–65

Washington, July 8, 1965.

Subject

DOD Policy on the Japanese Defense Effort (U)

1. (U) In response to a memorandum by the Deputy Assistant Secretary of Defense (ISA), I–7605/65, dated 12 June 1965,² subject as above, the Joint Chiefs of Staff have reviewed US military objectives in Japan, the relative priority of the Japanese defense missions and functions, and related modernization requirements. A detailed analysis is contained in the Appendix hereto.³

2. (U) US military objectives in Japan are included in paragraph 2 of the Appendix.

3. (S) The Joint Chiefs of Staff conclude that:

a. Although the Soviet and communist China military forces are capable of undertaking a variety of military actions against Japan, it is considered unlikely that either nation would initiate deliberate military aggression against Japan in any situation short of general war. In this event, the principal military threat is air and naval attack.

b. The Japanese contribute to the attainment of US military objectives in the Far East in that:

(1) The missions of the Japan Self-Defense Forces (JSDF) are, in general, to maintain internal security in Japan, counter communist subversion, provide security for US and Japanese military facilities, and, in coordination with the United States, defend Japan against external aggression. The Japan Air Self-Defense Force (JASDF) has assumed the responsibility for the air defense of Japan, owning and operating the ground environment and air defense weapons.

(2) Japan provides real estate for US bases and facilities at no expense to the United States.

c. Despite constitutional restrictions against the maintenance of “war potential,” Japan, with US guidance and assistance, has made considerable progress since the war in building and modernizing its

¹ Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 70 A 3717, 381 Japan. Secret.

² Not found.

³ Attached but not printed.

small Self-Defense Forces. Nevertheless, the Japanese defense capability is limited by the small size of the JSDF, major gaps in equipage, inadequate logistical capability, and restricted budgets. Specific limitations are included in the Appendix. Missions and objective force levels are included in Annexes A and B to the Appendix.⁴

d. A relative priority of JSDF defense missions and functions, based upon an analysis of the threat, US military objectives and force posture in Japan, and US strategic requirements in the Far East, can generally be stated as follows:

- (1) Air defense, with emphasis on all-weather capability.
- (2) Antisubmarine warfare, escort, patrol, and mine warfare capability.
- (3) Ground defense capability and follow-on tactical fighter, reconnaissance, and airlift capabilities.

4. (U) The Joint Chiefs of Staff recommend that:

a. The Government of Japan be encouraged to provide increased defense efforts to improve and modernize its forces and to provide military assistance to other nations.

b. The list of modernization requirements and other equipment in paragraph 10 of the Appendix, which is an update of a list submitted to you in JCSM-242-63, dated 22 March 1963, subject: "US/Japanese Defense Relationships (U),"⁵ be used as a basis for future bilateral discussions.

For the Joint Chiefs of Staff:

A. H. Manhart⁶

Major General, USA

Vice Director, Joint Staff

⁴ Attached but not printed.

⁵ Not found.

⁶ Printed from a copy that indicates Manhart signed the original.

53. Memorandum From Secretary of State Rusk to President Johnson¹

Washington, July 13, 1965.

SUBJECT

Visit of Japanese Cabinet

You are entertaining at lunch on Wednesday, July 14, seven leading members of Prime Minister Sato's Cabinet.² They will have completed substantially three days of consultation with us on trade and economic matters.

There have been four of these Joint Cabinet meetings. The first took place in Japan in 1961, the second in Washington in 1962, and the third in Japan in January 1964. The Japanese Government, business community and public generally attach great importance to these meetings.

Southeast Asia, civil aviation, and economic protectionism have been the principal issues upon which there has been lively discussion this year.

Southeast Asia

Prime Minister Sato has given you prompt and vigorous support for U.S.-Viet-Nam policy, notwithstanding widespread Japanese public condemnation of U.S. bombing of the North. The Japanese Government was more forthcoming than any other in responding to your Johns Hopkins Southeast Asia proposals.³ During Eugene Black's recent trip Japanese officials indicated readiness to give leadership in forming the Southeast Asia Development Bank, to study participation

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN. No classification marking. Drafted by Barnett and cleared by Reischauer and Solomon.

² The luncheon was held at the White House from 1:20 p.m. to 2:35 p.m. (Johnson Library, President's Daily Diary, May 1, 1965 to September 30, 1965, Box 4) The Japanese Cabinet members were in Washington to attend the Fourth Meeting of the U.S.-Japan Joint Cabinet Committee on Trade and Economic Affairs held from July 12 to 14. The texts of Rusk's opening remarks, President Johnson's remarks at the luncheon on July 14, and the Joint Communiqué issued at the close of the meeting are printed in Department of State *Bulletin*, pp. 243–249. Briefing memoranda and similar documents relevant to the meeting are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN and POL JAPAN-US.

³ In his address at Johns Hopkins University, "Peace Without Conquest," April 7, President Johnson reiterated the U.S. commitment to continue to fight in Vietnam and to seek peace simultaneously. Realizing that a peaceful end to the conflict was not yet in sight, Johnson called for cooperative efforts among the countries of Southeast Asia to

in the Southeast Asia Development Fund, and to explore other means for accelerating economic development in the area. On the other hand, Japan is reluctant to become involved in support of the military aspects of U.S. policy in Viet-Nam.

Of your guests, Foreign Minister Shiina has performed conspicuously well in handling the Korean settlement. The most prominent political personality is Minister of Trade and Industry Miki. Miki arrived in Washington after visits with de Gaulle and Kosygin and is believed to be a likely future Prime Minister.

Civil Aviation

The Japanese have been informed of your civil aviation offer. Japan's desire for round-the-world rights is strong. The Japanese hoped to get it without substantial loss in Japan's present rights and without making concessions.

I have made it clear to the Foreign Minister that there is no significant room for haggling over detail. Notwithstanding some anxiety over the expectation that rights they grant us may expose them to new, different, and possibly heavy competition in the near future, Japan may agree to our proposals for a new civil aviation agreement between our two countries.

Protectionism

The overwhelming impression made by our discussions on trade and economic matters has been one of vitality of the two economies, harmony of interest in the context of world economic trends, and success in dealing with common problems. The Japanese are putting on record their dissatisfaction with various protectionist features in the handling of our economy, particularly the buy-America Saylor Amendment and informal pressures we are putting on them with respect to exports to the United States, e.g. woolen textiles. We have expressed sharp dissatisfaction with Japan's treatment of Americans desiring to make direct investment in Japan, reviewed with them their protectionist policies and discussed the wisdom of Japan's showing some restraint in hitting the American market too hard in narrow vulnerable sectors. Our give and take on these matters has been constructive.

develop the region. The President intended to ask Congress to support "a billion dollar American investment in the effort" and urged other industrialized nations to join as well. Johnson proposed developing the Mekong River Valley, providing modern medical care to the populace, establishing schools, and expanding food and material assistance. He also announced the formation of an American team, headed by former World Bank President Eugene Black, to initiate U.S. involvement in those programs. The text of the speech is in *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1965*, pp. 394–399.

To generalize, the Cabinet sessions this year reveal a readiness of the two countries to proceed from focus upon bilateral problems to mutual consideration of joint and multilateral opportunities for improving the world economic community, i.e. by examination of the liquidity problem and mobilizing increased aid resources for the less developed countries.

Dean Rusk⁴

⁴ Printed from a copy that indicates Rusk signed the original.

54. Memorandum Prepared for the 303 Committee

Washington, July 13, 1965.

[Source: Department of State, IRN/IL Historical Files, 303 Committee Special Files, 5412 Files, 303 Committee. Secret; Eyes Only. 7 pages of source text not declassified.]

55. Memorandum From the Ambassador to Japan (Reischauer) to Secretary of State Rusk¹

Tokyo, July 14, 1965.

SUBJECT

Our Relations with Japan

Background

It is obviously of vital importance to the United States that the relationship with Japan be maintained and strengthened so that (a) the

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 1 JAPAN–US. Secret. In a covering note, Reischauer stated that he wrote the memorandum at McNamara's suggestion. Copies were sent to Ball, William Bundy, McGeorge Bundy, and Rostow. A copy of the memorandum indicating it was sent to McNamara is in the Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 3717, 092 Japan.

Japanese industrial potential does not drift to the Communist side or into a position of neutrality, (b) our bases in Japan and the Ryukyus and Japan's industrial back-up facilities continue to contribute to the defenses of the Far East, and (c) Japan plays a growing role in the economic development of the free countries of East and South Asia and eventually contributes to their political stability and security. It seems equally obvious that it is in Japan's economic and security interests to maintain a close relationship with us and to contribute to the stability and economic development of the free nations of Asia.

This is realized by the leadership of the ruling Liberal-Democratic Party, but the relationship with us and Japan's contribution to the free countries of Asia have hitherto been limited by the violent opposition of determined Communist and fellow-traveler elements, by a strong Marxist tinge to all Japanese intellectual life, and by prevailing tendencies toward pacifism, neutralism and isolationism, resulting from Japan's bitter experiences in the Second World War. Over the years there has been a slow but steady growth in the voting strength of the Left and a corresponding erosion of the position of the Liberal-Democratic Party. The Left has counted on this to bring them in time to political power and has aimed specifically at 1970 (the first year that the United States-Japan Security Treaty can be denounced by either side) as the time to break Japan's defense relationship with the United States. The Left has also counted on mounting nationalistic concern over the American administration of the Ryukyus as a major weapon with which to attack the ruling party and break the special Japanese relationship with the United States.

Basic trends over the past few years, however, have indicated that the Left would probably be frustrated in these intentions. Galloping economic growth, relaxing political tensions, growing understanding of the realities of the world situation, and declining confidence in the validity of Marxist dogma all have served to stem the erosion of the position of the Liberal-Democratic Party and to strengthen the relationship with the United States. Until this past January it appeared that these favorable trends would have so progressed by 1970 that the threat of the Left would have faded and the problem of the Ryukyus could be held to manageable levels until public opinion in Japan was ready for a fuller military alliance with the United States that would obviate the necessity for the special status of the Ryukyus. It therefore seemed a safe policy for the United States to drift with the favorable currents, encouraging their flow to the extent that this could be done without running the risk of stirring up counter currents.

The Problem

The violent popular reaction in Japan since January to the Vietnamese situation has invalidated these earlier optimistic estimates.

Even conservatives in Japan are much worried about the possibility of a major U.S. defeat in Southeast Asia and many of them entertain serious doubts about the wisdom of American policies. The general public has tended to be strongly critical of American policies in Viet-Nam and as a result has become much less friendly toward the United States than before. The extreme left, encouraged by this general atmosphere, has returned to the attack on the American-Japanese relationship with renewed rigor. The favorable trends of preceding years were reversed between February and May of this year, and considerable ground was lost in U.S.-Japan relations. Since then the ebb tide seems to have been at least temporarily stemmed, but we cannot expect a restoration of the earlier favorable currents so long as the Viet-Nam situation remains unsettled, and a worsening of the situation (either through a major escalation of the risks of an expanded war or through a serious deterioration of the U.S. position) would unquestionably mean a further loss of valuable ground.

Under these circumstances we can no longer count on favorable long-term trends making the U.S.-Japan relationship fully secure by 1970. Nor can we assume that the Ryukyu problem will remain manageable even that long.² This is the most vulnerable point in the U.S.-Japanese relationship, since it brings together the rapidly rising nationalistic feelings of conservative Japanese with the anti-Americanism of the Left. The conservative government recognizes the importance of our Ryukyu bases for the defense of Japan and the stability of the Far East, but if it finds cooperation with us over the Ryukyus too great a liability in domestic politics, it may place the party's political interests over Japan's defense needs. Without the full cooperation of the Japanese Government, the U.S. position in the Ryukyus would probably become untenable, not so much because of local unrest, which probably would be severe, as because of the international repercussions if Japan were to refer the problem to the United Nations or some other international forum. A U.S.-Japan confrontation over the Ryukyus would do incalculable damage to all other aspects of our relationship.

Conclusions

Our basic strategy of riding passively with the favorable currents in our relations with Japan is no longer valid, since these currents have

² In a meeting on July 16 Deputy Under Secretary of the Army for International Affairs John M. Steadman asked Reischauer "how soon a blow-up in the Ryukyus might come, whether it might be in 1970." The latter acknowledged that "1970 was more worrisome to him than before," and expressed his view that the U.S.-Okinawa relationship "cannot be held on present terms for more than two years." (Memorandum of conversation, July 16; National Archives and Records Administration, RG 59, Central Files 1964-66, POL JAPAN-US)

weakened or even reversed themselves and time is beginning to run out. We need to move forward with the Japanese to a new relationship which will be viable for a longer period of time. Such a new relationship would have to be based squarely on a recognition of resurgent Japanese nationalism, which makes the Japanese public and government increasingly desirous of a more positive role in international affairs and less willing to tolerate any affront to Japanese national consciousness, such as is inherent in American administrative control over the 900,000 Japanese inhabitants of the Ryukyus.

The Japanese Government and the Liberal-Democratic Party are likely to prove responsive to an effort on our part to move ahead to a new relationship. They have witnessed a further erosion of their position this past spring and may feel that they cannot afford much longer to remain passively on the defensive against the renewed attacks of the Left on foreign policy. Hitherto in times of crisis they have sought to minimize their losses by remaining as aloof as possible both from the crisis itself and from the American role in the crisis. But such a policy does no more than slow down the rate of loss of popular support for the party in power. The government may be beginning to realize that the resurgence of nationalistic feeling in the past few years and growing public awareness of the realities of international politics now make possible a more positive and successful answer to the attacks of the Left. A larger and more prominent role in the Free World alliance, particularly if coupled with the elimination of slights to Japanese nationalistic sentiments, could give the Liberal Democratic Party much sounder political footing in its fight with the Left than does its present half-hearted alliance with us and its timid participation in Free World strategy.

Recommendations

Three things are needed if we are to develop this new relationship with Japan:

A. We must take whatever steps we can to lessen present friction with Japan and thus give ourselves further time to work out this sounder new relationship. For this purpose we should pay particular attention to the following points:

1. Insofar as possible, we should take Japanese reactions into consideration in determining our policies in Viet-Nam. For example, we should not forget that the bombing of civilian populations would produce particularly adverse reactions in Japan, whereas our emphasis on negotiations and our willingness to accept a multi-national solution have desirable effects. In particular, it would be helpful if Japan itself could somehow be involved in any international decisions on Viet-Nam.

2. We should minimize our irritants in our relations, such as those in the fields of international air routes, North Pacific fisheries, and trade matters.

3. We should continue to take the greatest precautions to minimize irritations over our military bases in Japan.

4. We should minimize irritations over the Ryukyus by continuing the present policy if increasing local autonomy and by greatly expanding economic aid to the islands. If the Ryukyus were a Japanese prefecture, they would be receiving as aid from the central government something like \$50,000,000 over and above the taxes paid to the central government. Combined aid from the United States and Japan at present amounts to less than half of this sum. As a result, educational and social security standards in the Ryukyus fall well below those of Japan. A joint United States-Japan effort to make up this deficiency is imperative. The Japanese Government appears ready to provide its share of the expanded aid program, but, for the United States to provide its part, it will be necessary to revise the so-called Price Amendment, which limits the United States aid figure to \$12,000,000.³

B. We should make careful preparations for talks with the Japanese Government leading to the new relationship. For this purpose we should pay particular attention to the following points:

1. We should study the possibilities for a new long-term defense relationship with Japan, defining more clearly the defense needs in and around Japan and determining more clearly what the respective roles of the Japanese Self-Defense Forces and the American military should be. In this connection, thought should be given to reducing the frictions of the American military presence in Japan and also to the maintenance in Japan of clearly defensive American units (such as interceptor squadrons) to help justify in the minds of the Japanese public the presence of elements with broader strategic missions (such as support facilities for the Seventh Fleet, attack squadrons, and facilities for electronic intelligence).

2. We should study the possibilities for a closer and more fruitful over-all strategic relationship with Japan. A major element of this re-

³ Secretary of the Army Stanley R. Resor supported Reischauer's view that the U.S. must increase the amount of aid extended to the Ryukyus and believed an appropriation of \$25 million would suffice for the time being. Resor and his staff viewed Watson's hope for the removal of any ceiling on aid granted to the islands as unrealistic. (Ibid.) The Department of the Army took the initiative in early 1966 to prepare for Congressional hearings on increasing the support limit contained in the Price Act (Public Law 86-629), which provided for economic and social development of the Ryukyus. (Letter from David E. McGiffert, Under Secretary of the Army, to William P. Bundy, February 15; National Archives and Records Administration, RG 59, Central Files 1964-66, POL 19 RYU IS)

lationship should be fuller cooperation in the economic development of the free countries of East and South Asia and a consciously achieved balance between United States and Japanese roles in the economic and military fields. In other words, we might give thought to encouraging the Japanese to make up for the limitations to their military role by an expansion of their economic role. At the same time we should be ready to let the Japanese Government take initiatives in the political field which would be helpful to it in its domestic political relations and which might lead, even for us, to useful understandings with the Soviet Union and possibly to some relaxation of tensions with Communist China. In particular we should encourage Japan to take a leading political role in behalf of the free world throughout East and South Asia.

3. We should decide as soon as possible exactly what continuing use we need to make of the bases in Okinawa, just what rights will be necessary for such use, and, in the light of these decisions, what special treaty provisions will be necessary when administrative rights over the island revert to Japan.

C. We should begin to engage the Japanese Government in conversations leading to the creation of the new relationship. These efforts will at first have to be both cautious and tentative, until we are sure of the Japanese response. The following specific steps should be taken:

1. At the next meeting of the United States-Japan Security Consultative Committee, Admiral Sharp and I should present papers on the military and political situation in the Far East which are as frank and meaningful as possible, within security limitations. These should be so framed as to constitute an invitation to the Japanese Government to engage with us in a deeper and more meaningful dialogue on these problems.⁴

2. The same invitation should be conveyed by Secretary Rusk or other appropriate persons if they should have occasion for discussions with Prime Minister Sato, Foreign Minister Shiina, or Secretary-General of the Liberal-Democratic Party Tanaka. (At this stage approaches to other Japanese leaders, many of whom are political rivals of Sato, should probably be avoided.)

⁴ The Security Consultative Committee met at the Foreign Office in Tokyo on September 1. At that meeting Reischauer emphasized Vietnam as symptomatic of the potential situation in the Far East as a whole and the role the U.S.-Japan relationship played in maintaining the stability and security of the region. A summary of the meeting, a record of the discussions, copies of the papers exchanged, and similar information were sent to the Department of State in airgram A-291 from Tokyo; undated. (Ibid., DEF 4 JAPAN-US)

3. After my return to Japan in mid-August⁵ I should discreetly sound out Sato and Tanaka, expressing myself at first in terms of personal opinions, until I have established a surer feeling for their own thinking.

4. If my conversations make progress, I should encourage Sato to go to the United Nations in the autumn and stop off in Washington for further talks with the President and Secretary Rusk. (I have already received an indication from Sato that he might welcome such a suggestion.)

5. Subsequent moves would depend on the outcome of my talks in Tokyo and Sato's talks in Washington but might include visits to Tokyo by Under Secretary Ball or officials of comparable level who would attract less public attention than would full cabinet members.

⁵ After performing official duties in Washington in mid-July, Reischauer vacationed and traveled in the United States. He returned to Tokyo on August 22. (Reischauer, *My Life Between Japan and America*, pp. 288–289)

56. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, July 30, 1965, 1001Z.

361. Prime Minister Sato, through Yasukawa, has twice made it clear to us that he does not question in any way the right of the U.S. to use Okinawa for missions such as yesterday's B-52 attack on Vietnam. At the same time, the Prime Minister has on both occasions also expressed his deep personal concern re the adverse impact this action will have in Japan including the effect it could have on his forthcoming trip to Okinawa.²

We are of course in no position to evaluate or question the military or other considerations which dictate that yesterday's B-52 raid take place while these aircraft were at Okinawa, returning to Kadena upon completion of the bombing attack on Viet Cong elements in South Vietnam. We feel compelled however to emphasize that this has given

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S. Secret; Priority; Limdis. Repeated to CINCPAC for POLAD, COMUSJAPAN, Saigon, and HICOMRY.

² Sato visited Okinawa from August 19–21.

the left in Japan a sizeable club with which to beat the Sato administration at the very time when the fortunes of the Liberal Democratic Party are at a low ebb. Directly linking Japan (via Sato visit), Vietnam hostilities, and Okinawa in this dramatic manner could provide the Japanese left the key missing element—a sense of direct Japanese involvement—in their current effort to convert Japanese public concern over Vietnam into massive indignation and action against our security relationships with Japan including the Okinawa base.³

We recognize that military considerations may be overriding but there are major political reasons in terms of our relations with Japan for avoiding further B-52 raids from Okinawa if we have this option. Repercussions from such raids could be extremely damaging not only in terms of Japanese public opinion but also in terms of GOJ's strength and its attitudes toward us to the detriment of our overall position in the Far East.

Emmerson

³ According to reports from posts in Japan, reaction was limited to left-wing political parties sending protest delegations to the Embassy to register their opposition. (Telegrams 371, 388, and 423, July 31, August 2 and 4, respectively; all *ibid.*; also airgram A-6 from the Consulate in Fukuoka, September 13; *ibid.*, DEF 15 JAPAN-US)

57. Letter From the Under Secretary of State (Ball) to Secretary of Defense McNamara¹

Washington, July 31, 1965.

Dear Bob:

ISA, the Joint Staff, and our FE Bureau have been wrestling yesterday and today with the question of an appropriate message to Sato or Shiina as to our future plans for the use of Okinawa in B-52 strikes in Viet-Nam. As you know, our use of the Okinawa bases for this

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 27 VIET S. Secret. Attached to an August 2 note from James L. Clunan to Don Christensen (S/S-S), stating that the letter was hand-carried to the Department of Defense and handled informally on July 31. According to a memorandum of a telephone conversation between William Bundy and Ball, July 31, 11:30 a.m., Bundy suggested writing this letter and, after Ball agreed, drafted it for Ball's signature. (Johnson Library, Papers of George Ball, Japan)

purpose is theoretically unlimited, and we do not have a formal obligation even to consult or notify the Japanese. Nonetheless, in the wake of this week's strike and its publicity, we have felt that some form of discussion was required as a matter of courtesy.

Upon reflection, it now seems to me that the issue runs very much deeper than the immediate issue of what we say to the Japanese. The real question is how much we in fact need to use the Okinawa bases in the next few months for strikes. (I should say that I leave to one side the question of the use of Okinawa for tanker operations, which would not be likely to lead to publicity and which we believe can continue in any event.)

In our judgment, recurrent use of the Okinawa bases, as a practical political matter, will seriously heighten pressures in Japan on the issue of Okinawa generally, and indeed will significantly affect the whole atmosphere of our relations with Japan in every sphere. I do not think these results would necessarily follow if our use of Okinawa were really confined to emergency-type situations, such as the typhoon relocation that occasioned this week's strike, but I do believe that we must take a very hard look indeed before we get into a situation where the use of Okinawa would in fact be frequent.

I base these conclusions not only on the Japanese reaction to this week's strike and the Embassy's reports (which I believe are available to you),² but on extensive discussions of the whole Japanese attitude on Okinawa with Ed Reischauer over a period of time and particularly during his recent visit here.³ The plain fact is that, despite the absolutely first-rate performance of General Watson and the presently quiescent state of specific frictions over Okinawa, Japanese feeling on the issue runs very deep indeed, and it is Reischauer's judgment—which we share—that, even without the issue being further aroused, we face a situation where Japan may demand basic changes in our structure and rights in Okinawa within the next two–three years. If we act in such a way as to arouse Japanese feeling markedly, this period may be greatly shortened, and—to repeat—the whole atmosphere of our relationship, already under stress because of differing Japanese popular views on Viet-Nam, would be seriously affected.

In other words, we have to weigh the importance of Okinawa for strikes against Viet-Nam not only against major political factors but against over-all possibilities which could drastically affect the future usefulness of Okinawa from a military standpoint.

² Embassy telegrams discussing this issue are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S and DEF 15 RYU IS-US.

³ Reischauer was in Washington to attend the Fourth Meeting of the U.S.-Japan Committee on Trade and Economic Affairs held July 12–14.

All these factors lead me to suggest that you review this matter urgently with the Joint Chiefs, and that we consider it thereafter, at the highest State and Defense levels, with the clear possibility that we shall have to bring it to the President. If participation from State will be helpful to you at any point, please call on us.

Sincerely,

George W. Ball⁴

⁴ Printed from a copy that bears this typed signature.

58. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Bundy) to the Deputy Under Secretary for Political Affairs (Thompson)¹

Washington, August 20, 1965.

SUBJECT

Japanese Defense Policy

1. One of the follow-up actions called for under "The Future of Japan," a Basic National Security Policy paper approved by the Secretary in June 1964,² is the preparation of a joint State-Defense study "to define more precisely the appropriate missions of the Japanese armed forces which the U.S. should seek". A first draft of such a study prepared in Defense proved to be little more than a compilation of factual material which failed to focus the issues.³ The need for the study, embracing the size and composition as well as the missions of the Japanese forces, has recently become increasingly clear with the mounting Communist threat in Southeast Asia, the approach of the time when the U.S.-Japan Security Treaty will become subject to termination, and increasing indications that the Japanese Government would welcome, and may by the end of the year itself propose, confidential, high-level discussions of our mutual security interests.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 1 JAPAN. Secret. Drafted by Fearey, cleared by Berger, and sent through Jeffrey C. Kitchen (G/PM).

² Document 15.

³ Not further identified.

2. We have accordingly prepared in FE the attached paper which analyzes the problem and arrives at a number of conclusions on the position the U.S. should adopt toward the Japanese defense forces. The paper embodies Embassy Tokyo and G/PM staff comments and suggestions and was further reviewed and concurred in by Ambassador Reischauer when he was here August 11–12. If on reading it you agree that the paper represents a sound approach, I suggest that you present it in the Thompson Strategy Group with the recommendation that, after consideration by the Group, the JCS be asked to comment on it preliminary to the development, by a fall deadline, of an agreed U.S. definition of the most desirable (from the U.S. point of view) missions, size and composition of the Japanese defense forces over the next 5–7 years. I suggest that the JCS also be asked to comment, in light of paragraph 19 of the paper, on the desirability and feasibility of enlarging the defensive role of U.S. forces based in Japan.

Attachment

August 20, 1965.

JAPANESE DEFENSE POLICY

1. It has been the U.S. official as well as public view since soon after the Korean War that the Japanese forces buildup has been too limited and too slow; that the U.S. should seek to persuade the Japanese to accelerate the development of more modern and larger forces for more complete and effective home defense and the assumption by Japan of its proper share of regional security responsibilities; and that with the growth of national pride and ambition the Japanese would probably themselves increasingly desire larger forces and a more active military role.

2. The Japanese defense forces have developed steadily in recent years but remain very small in comparison with those of other major powers. Reawakening Japanese national pride and desire for international status appear not to have significantly increased Japanese interest in larger forces or a Japanese overseas military role. If U.S. policies toward Japan's defense effort have been sound, they have at the least been of limited effectiveness. Perhaps the policies themselves have been too much based on longstanding habits of thought within the U.S. Government, resentment over the small proportion of GNP increasingly prosperous Japan devotes to the common defense, and desire to sell military equipment to Japan. A new look at the matter seems in order as the requirements of the Southeast Asian situation mount and the

date when the U.S. and Japan must reconfirm, alter or terminate their Security Treaty relationship approaches.

[Omitted here are sections A. "Buildup of Japanese Home Defense Forces" and B. "Adequacy of Japanese Forces in the Face of Current and Prospective Threats."]

C. Japanese Attitudes on Defense Questions

12. These continue to be mainly governed by (a) lingering anti-military sentiments growing out of Japan's disastrous war experiences; (b) doubt of the practical value of large Japanese forces—in view of the lack of any clear threat to Japanese territory, U.S. treaty commitments to Japan, and the desire to build friendly relations with neighboring, formerly occupied countries; and (c) reluctance to accept the cost of sizeable forces. With the passage of time, initial suspicion and disapproval of the small, slowly growing Self-Defense Forces has given way to acquiescence and grudging approval but little active pride or enthusiasm.

13. For some time it has been expected that growing national consciousness and desire for international status would render the Japanese increasingly reluctant to rely on the U.S. for their security, and more disposed to build up their own forces. It is becoming increasingly clear that this is not happening. The JFY 1965–66 defense budget, submitted by the reputedly more defense-minded Sato and approved last March by the Diet, barely covers rising costs of the existing establishment, with minimum amounts for force improvement, as in JFY 1965 and 1964. While there is evidence that anti-military sentiments are continuing gradually to decline, there appears to be no greater disposition than in the past to replace or supplement the U.S. deterrent with expanded Japanese forces. Public attention remains firmly fixed on economic gains. Developing national pride has led to increased demands for "independent" Japanese foreign policies, but neither this desired independence, the mounting scale of Communist aggression in Vietnam or the deteriorating situation in Indonesia has significantly altered Japanese defense policy, which remains basically unchanged from the Fifties.

14. The CCNEs have had limited impact in Japan, long accustomed to the nuclear weapons of its traditional enemy, the USSR. Some Japanese have been influenced by them to favor an expanded Japanese defense effort including nuclear weapons. Sato has privately expressed such views and the JFY 1966–67 defense budget, the first prepared by a cabinet of Sato's own choosing, may noticeably reflect them. But the general reaction has been largely undisturbed, with no disposition to turn from butter to guns. With their strong cultural affinity for Mainland China; knowing that for better or worse Mainland China's

vast population will be only a few hundred miles away forever; doubting that Peking, whatever its political ambitions, intends to attack Japan; and hoping still that Japan can some day play a leading role in the development of Mainland China, most Japanese are determined to avoid the development of a confirmed hostile attitude between Japan and China. A picture of China and Japan pointing nuclear missiles at each other, against which neither (but especially confined Japan) could effectively defend, has no appeal. This attitude could change as the Chicom nuclear capability and Japanese nationalism grow; but the prospect now appears to be continuing efforts to preserve a tolerable, hopefully cooperative relation with Communist China, under the U.S. nuclear umbrella, not to build up forces against it.

15. Elements in the U.S. may at some time question the wisdom of maintaining U.S. defense commitments to a Japan which refuses to view the Chicom aggressive threat in the terms we do. If Japan, even while continuing to withhold diplomatic recognition, persists in seeking friendly, productive relations with a Communist China which has become even more hostile toward the U.S. than at present, a situation could develop comparable to the one we now face with Pakistan, whose rapprochement with Communist China is leading an increasing number of Americans to question our continued defense commitments to Pakistan. This danger is receiving and should continue to receive close U.S. and Japanese Governmental attention.

D. U.S. Fundamental Interests Respecting Japan

16. The success Japan has achieved in its concentration on economic growth and improved living standards has been a major Free World gain, both for the proof it has provided of the workability of free political and economic institutions in an Asian environment and the contribution a burgeoning Japan has made to Free World economic strength. Continued conservative, strongly Free World oriented leadership in Japan depends on the maintenance of a high growth rate and rising living standards, including costly improvement of public services (roads, parks, harbors, sanitation, etc.), neglected for decades. A substantially larger Japanese defense effort would divert resources from such politically important Japanese domestic programs and overseas (mainly SEA) non-military aid, both directly in U.S. interest.

17. With Japan's defense effort only 1.1% of GNP, even doubling of that proportionate effort would leave substantial resources for these purposes. But as long as Japanese public attitudes on defense policy remain essentially as at present, any government which proposed a sharp expansion of defense expenditures would risk its early replacement, in all probability by a more neutralist government less likely to ensure Japan's continued, effective Free World alignment. U.S. interest in Japan's remaining an active political and economic Free World

associate is far greater than our interest in the contribution expanded Japanese forces might make to Free World military strength. And while Japan's peaceful postwar regeneration appears genuine and deep-rooted, we cannot exclude the possibility that we would live to regret the re-establishment of powerful Japanese forces at home and overseas. It is too early to conclude that a nation which has glorified war to the extent Japan has will not turn in that direction again. Nor should we overlook the fact that, seeking the most efficient and economic means to achieve powerful forces, a growing number of Japanese might be tempted by the nuclear route.

18. As earlier noted,⁴ the greatest threat to Japan, and thus to U.S. interests in Japan, is not that of military attack by any nation but of a deterioration in the general climate of security and economic well-being in the Far East which would leave Japan more and more isolated in a hostile environment, strike at its trade with other Far Eastern nations, and threaten its trade routes with the rest of the world. Faced by this threat, and considering the political obstacles at home and abroad to a much expanded Japanese military effort, Japan's major contribution to Free World security would appear to lie in the economic area, with U.S. influence directed not to acceleration of the Japanese defense buildup but to expansion of Japanese South and Southeast Asian economic aid and investment. As the Japanese become more involved economically with other Far Eastern nations they will tend to become more involved politically, which could lead in time to defense involvement as well. But that must develop spontaneously. There is little evidence that absence of U.S. pressure would significantly reduce the pace of the Japanese defense buildup, which over the years has proceeded at its own rate, influenced much more by domestic Japanese political considerations than by our urgings. The fact that our pressure is likely to become less rather than more effective as Japanese national independence and self-determination grow is added reason for not attempting to exert it.

19. There is another reason why we should consider carefully before pressing the Japanese to accelerate their defense effort. It may not be in our interest that the Japanese become exclusively and completely responsible for home defense, leaving the U.S. with no defense role in Japan. Retention of a real defense role for our Japan-based forces is important in justifying the U.S.-Japan security relationship to Japanese skeptics, in maintaining the credibility of our strategic commitment to

⁴ Discussed in paragraphs 5-11 of this paper. This paragraph, as well as paragraphs 19 and 20, mirror the viewpoint of the Embassy in Japan. (Letter from Earle J. Richey, Acting Counselor of Embassy, to Fearey, June 9; National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 1 JAPAN)

Japan, in providing cover for the counter-offensive, intelligence and other activities our Japan-based forces fulfill, and in preserving our influence in Japanese defense planning now that Japan MAP has been terminated.

20. Finally, we should stop judging the adequacy of the Japanese defense effort by the proportion it represents of GNP. This standard has no military validity; the adequacy of a defense establishment should be judged against the threat which it is meant to counter, not against the percentage of income applied to it. Moreover, the percentage of GNP standard does not have the significance in Japan which it might in a country with a relatively static GNP. Although the percentage of GNP devoted by Japan to defense has not gone up in recent years, the defense budget rose between JFY 1961 and JFY 1965 from \$510 million to \$860 million. This sizeable increase should not be downgraded because the economy grew during the period at so rapid a rate.

21. Looking objectively at our fundamental interests respecting Japan in the late Sixties and early Seventies one might arrive at the following conclusions:

a) Japan's practical ability to act will be much greater in the economic field than in the military field. We should look to Japan for a much expanded economic contribution and worry less about its military contribution.

b) The Japanese defense effort will be decided by what the Japanese think they need; our ability to affect the issue will remain minimal. We should continue to seek to influence their defense planning in mutual defense consultations, once we have clarified our own ideas on the subject, but we should not make this such a major undertaking as to cut across our other interests.

c) If we make it plain to the Japanese that we will not exert pressure for military expansion beyond what they themselves think desirable this may give us greater leverage in encouraging them to put out greater efforts in the economic aid field.

E. Desirable Size and Structure of Japanese Forces

22. Japanese forces most in Japanese and U.S. overall interest during the remainder of the decade would seem to be high-quality air and naval units, of approximately the present total size, to deter or repel probing incursions or limited blockade or attack, supported by ground forces clearly inadequate for defense against major attack but capable of ensuring internal security, including the security of U.S. bases, and of serving as a basis for possible later expansion for an overseas role. This pattern would involve acceptance of current low army manning levels (140,000) and assignment of any resources thus saved to modernization of the ground forces, modernization and possible expansion of the air and maritime forces, and formation of organized reserves,

now completely lacking. The objective would be Japanese forces able to deal decisively by themselves with minor encroachments or attacks; clearly dependent on U.S. forces to deter major attack; and capable of eventual expansion for overseas service, if and as political attitudes in Japan and abroad alter to permit this, almost certainly not before the next decade.

23. Such forces might include units trained for UN peacekeeping operations, the most promising initial form of Japanese overseas military activity. Japan has military attachés abroad, and the Japanese Government might even now be prepared to place at the Secretary General's disposal such attachés located near trouble areas. This might provide the opening for dispatch, possibly as early as 1967 or 1968, of small Japanese forces to police boundaries and perform other peacekeeping functions but not, for an indefinite period ahead, to join with other Free World forces in anti-Communist, Viet-Nam-type combat operations.⁵

24. Due primarily to the attractions of industrial employment and the dwindling farm population (the traditional source of army manpower), the number of applicants for the GSDF fell, despite aggressive recruitment efforts, to 89,000 in 1963 and 69,000 in 1964, compared with 150,000 in 1962 and an average of 200,000 over the preceding 10 years. Because of this shortfall, actual GSDF strength has remained over the past three years at about 85% of authorized strength—140,000 instead of the authorized 171,000. While the GSDF continues normally to consist of 13 divisions, some divisions are at only 50–60% of strength; available manpower is sufficient for only 9 full-strength divisions. Conscription, or even withdrawal of the right of all Japanese servicemen to leave the forces any time they wish, including time of prospective or actual combat, is politically infeasible.

25. A Japanese Government decision to stabilize the GSDF at 140,000, or even a Japanese initiative to reduce it to 130,000 or 120,000 to achieve better balanced overall forces against the threats facing Japan, would therefore be a less radical change than might at first appear. Since nearly 80% of GSDF funds go for personnel expenditures, reduction to 130,000 or 120,000 would free substantial resources for army equipment modernization and diversion to the air and maritime forces, assuming that the Government did not divert the resources to

⁵ As the Embassy pointed out in its letter to Fearey of June 9, there appeared little or no possibility of military use of Japanese troops in the foreseeable future. Not only was extensive legislation needed before Japanese troops participated in any military actions, but also "the members of the Self Defense Forces serve only under a contractual arrangement, and there is no legal way for officers to compel their men to fight; the spectre of Japanese troops politely refusing to go into battle, and turning in their resignations instead, would be too much for the government to risk!" (Ibid.)

other purposes. It is pertinent to note that the UK, admittedly possessing a far larger navy and air force than Japan and a nuclear capability, maintains only 80,000 troops in the British homeland—though another 47,000 on the continent of course contribute, with other NATO forces, to British home defense. And not to be forgotten is the economic contribution which released GSDF personnel could make to the Japanese economy, key sectors of which are suffering labor shortages.

F. Conclusions

26. a) The experience of recent years, during which a substantial revival of Japanese national feeling and the CCNEs have occurred without significantly altering Japanese public attitudes on defense questions, indicates that Japan will not greatly expand its home defense forces during the remainder of the decade but will continue gradually to improve their qualitative capacity to deter and repel hostile incursions and limited blockade or attack.

b) The U.S. should continue to support such improvement. It should also continue to encourage Japan to rely on the U.S. deterrent for security against major attack. Additionally, it should make clear to the Japanese Government that although we remain ready and anxious to sell military equipment to Japan, and to consult with and advise the Japanese Government on defense planning questions, we consider the size and composition of Japanese forces a matter for Japanese decision free of any form of U.S. pressure.

c) Japanese public attitudes, combined with continuing fear abroad of a revived Japanese militarism, will continue at least into the early Seventies to prevent a Japanese forces contribution in Southeast Asia, Korea or the Taiwan Straits. These attitudes will alter only through the force of events and through political maturation in Japan and abroad. The U.S. should seek discreetly to foster this political maturation, recognizing that U.S. pressure, as opposed to free exchanges of information, views and experience, will slow rather than hasten the process. Japanese contributions to UN peacekeeping operations may become feasible within two or three years.

d) In discussions with the Japanese concerning the composition of their forces the U.S. should:

(i) support modernization of all three services to give Japan high quality forces on the Swedish model with a sizeable ready reserve—a hard nut to crack by any means short of major attack and a sound base for possible later expansion for overseas service;

(ii) acquiesce in the Japanese Government's apparent intention to maintain an active ground force of only 140,000, deferring efforts to achieve the authorized 171,000 strength until Japanese public thinking favors larger forces;

(iii) offer no objection should the Japanese Government wish to reduce the active ground force to 130,000 or even 120,000, provided

that the resources saved are devoted to modernization of the ground forces, modernization and possible expansion of the air and maritime forces, and formation of organized reserves;

(iv) favor maintenance of the existing under-strength, 13-division army structure to facilitate possible later expansion;

(v) emphasize Japanese air defense, minesweeping, ASW and escort capabilities, because of the importance of these capabilities to Japanese home defense (including effective U.S. wartime use of Japanese facilities) and because such forces (except air defense) are likely to constitute the most feasible initial Japanese overseas military contribution, aside from peacekeeping forces.

e) The U.S. position, in brief, should be one of readiness to consult to the limit by security considerations with the Japanese Government on defense planning questions; of welcoming larger, higher quality Japanese forces and the assumption by Japan of overseas military responsibilities as soon as public attitudes in Japan and abroad permit; of seeking discreetly to foster the necessary development of those attitudes; but of refraining from pressures of any kind on the Japanese Government to move faster in these directions than it considers feasible and desirable in Japanese national interest.

f) Every effort should be made as recommended in the Committee of Principals document "Japan's Prospects in the Nuclear Weapons Field: Proposed U.S. Course of Action"⁶ to discourage Japan from attaining an independent nuclear weapons capability.

⁶ A working group within the Committee on Nuclear Non-Proliferation, chaired by Llewellyn E. Thompson and composed of members from the White House, Departments of State and Defense and CIA, completed and distributed the report on June 15. The study was commissioned to determine whether Japan would embark "quietly without public knowledge" on a program of nuclear weapons development and, if so, how the United States could intervene to prevent that action. The report concluded that Japan would be capable of producing nuclear weapons and delivery systems by the early 1970s and recommended the U.S. take steps to influence Japan's defense policies in non-nuclear development. The report and supporting documentation are *ibid.*, DEF 12 JAPAN and Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 3717, 471.6 Japan.

59. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, August 25, 1965, 0913Z.

690. 1. Visit of PriMin Sato to Okinawa Aug 19–21 likely will have fundamental influence on U.S.-Japanese relations in connection with Okinawa. Decision to make visit in itself implied GOJ willingness face issue more directly than hitherto. Dramatic events of evening August 19,² however, threw spotlight specifically on reversion question in manner which makes it impossible for GOJ either to sweep it back under rug or to leave it for opposition to exploit. This is first time top leadership of GOJ has had personal contact with actual conditions in Okinawa and preliminary indications are that Sato and Cabinet believe there is need for progress in Japanese positions and actions. As put by Yamano, Director Special Areas Liaison Bureau, who accompanied Sato, GOJ has come to believe that there is “gap” between desires and hopes of Okinawans for reversion and actions taken so far by GOJ for economic assistance. Basic problem facing GOJ, according to Yamano, is how to fill in this gap, bearing in mind GOJ realization of importance of Okinawa base to security of Far East and Japan, recognized difficulties which stand in way of separating base rights from administrative control of islands, and assumption that full reversion cannot be accomplished in near future. If this gap is not bridged, he believes, opposition in Okinawa and Japan will increasingly capitalize on reversion issue to detriment of position of Democratic Party (DP) in Okinawa and of Liberal Democratic Party (LDP) in Japan.

2. Demonstration evening of August 19, although it was regarded in Japan as regrettable impoliteness to PriMin on his initial visit and although leftist instigation was generally recognized, was nevertheless looked on as genuine expression of serious Okinawan wish to have administrative control of their island returned to Japan as soon as possible. Prior to Sato visit, Japanese public had acknowledged desirability of reversion and had approved GOJ’s efforts toward this ultimate objective. They had not, however, appreciated extent and intensity of reversion sentiment in Okinawa until it was demonstrated by attitude of

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN. Confidential. Repeated to HICOMRY, Department of the Army, and CINCPAC for POLAD. Additional information pertaining to the Sato visit to Okinawa is also contained in this file.

² Reference is to pro-reversion demonstrations on the first day of Sato’s visit to Okinawa. These demonstrations resulted in often violent confrontations between participants and local police.

people in general as well as by outburst. Moreover, emphasis by Okinawa reversion council during Sato visit on fact that Okinawa has been under foreign military occupation for as long as 20 years seemed to intensify Japanese appreciation of reversion sentiment and of need for GOJ to do something about it.

3. Sato has decided establish cabinet council concerned with Okinawa. This will consist of Foreign Minister, Finance Minister, Local Autonomy Minister, Agricultural-Forestry Minister, Welfare Minister, Education Minister, Chief Cabinet Secretary and Director General PriMin's office. Council is to be formally approved at cabinet meeting August 27 and to have first meeting same day.

4. GOJ feels more than ever that November elections for Okinawa legislature will be crucial. Sato therefore desires complete action on Japanese aid for Okinawa for next year far enough before elections to permit full use in election campaign. Separate message will be sent on aid as soon as details are known.

5. Effect of visit to Okinawa on Sato's personal prestige and LDP position is also important aspect. On favorable side, visit was considered by public as appropriate thing for PriMin to do and proper expression to people of Okinawa of homeland sympathy and interest in their affairs. PriMin's speeches and general conduct of visit have met with favorable comment. Principal adverse factor has been Sato's decision remain overnight at military guest quarters when demonstrators surrounded his hotel. Preponderant feeling has been that PriMin should have met demonstrators. In any event, his return to military base has been widely criticized as lacking in political astuteness. Members of his party, in radio and TV appearances, have gone to great lengths to explain away situation but unfavorable attitude on this point remains.

6. Present indications are that Sato and immediate advisors are approaching Okinawa question with caution and are well aware its potential seriousness. Chief Cabinet Secretary Hashimoto, according press, rebuked Local Autonomy Minister Nagayane at Aug 24 cabinet meeting (Sato absent) for reportedly having told press he endorsed proposal to take reversion question to United Nations in search for early solution. PriMin's Special Assistant for Foreign Affairs Moriyuki Motono Aug 24 told Emb offs that GOJ must adopt policies on Okinawa issue which would enable it win support of "healthy" nationalism in Japan and prevent opposition's monopolizing Nationalist sentiment on this issue. Like Yamano (para 1 above), Motono asserted that economic assistance no longer sufficient to meet GOJ domestic imperatives on Okinawa issue, and reversion question could "no longer be ignored," even though early full reversion not expected. He seemed to imply that image of greater effort and some progress were needed, not necessarily spectacular concrete results.

7. It is too early for GOJ to have reached any conclusions on actions it may propose to fill alleged “gap” between aid and reversion sentiment. We must nevertheless be prepared for GOJ wish to discuss this question in terms that will be meaningful to Japan.

Reischauer

60. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, September 4, 1965, 0416Z.

818. 1. In discussions during my recent visit to Washington,² it was agreed that it would be desirable to sound out Japanese leaders cautiously to see if they felt ready to explore more deeply with us future of American-Japanese relations in hope that effort would lead to stronger, more fruitful relationship at this time of heightened tensions and would avoid certain looming problems. For this purpose, presentation I made at Security Consultative Committee on Sept 1 included clear indication that we would welcome fuller dialogue on whole spectrum of our mutual security problems (see Embtel 773).³ On preceding day I also tried to draw Prime Minister Sato out in private conversation with him, following courtesy call with Admiral Sharp.

2. I pointed out to Sato that climate of US-Japan relations has been stagnant or deteriorating over past few months, primarily because of widespread popular criticism in Japan of US actions in Vietnam and opposition to our use of bases in Japan and Ryukyus for any purpose in any way connected with war in Vietnam. I made plea for GOJ to recognize that preventing victory of Communists in SE Asia was as much in Japan's interests as US. I hoped GOJ would begin take public position in Japan in support of US not simply on grounds Japan tied to US by security treaty, but on basis Japan's own safety and need for

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret; Exdis.

² Reischauer visited Washington from August 11–12.

³ Telegram 773 from Tokyo, September 1, contained a report of the discussion on Vietnam and the U.S.-Japan security relationship during the Sixth Meeting of the Security Consultative Committee held at the Foreign Office in Tokyo. Japan was represented by Shiina and Director General of the Japanese Defense Agency Matsuno and the U.S. by Reischauer and Admiral Sharp. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 23 JAPAN)

peaceful and friendly SE Asia. I suggested that we might begin serious discussions aimed at identifying Japanese and American interests and determining how we could best cooperate. I also carried out instruction in Deptel 516,⁴ pointing out need for expanded economic assistance to Vietnam to build up economy and care for refugees.

3. Sato's reactions throughout, as in other conversations since middle of last spring, were basically evasive. On Vietnamese aid he indicated GOJ would consider specific concrete proposals (such as humanitarian aid to refugees, dams, electrical generating plants, etc.) when they came up but was not ready at this time to discuss generalized problem of long-range assistance to Vietnam. He based this position on alleged Asian inability to understand economic aid to build up a country at a time when war was going on. Implication was that he felt overall aid program could not be discussed until it could be completely disassociated from American prosecution of war in Vietnam. On subject of Japanese public opinion, Sato admitted press gave slanted view, but asserted that majority of Japanese people supported us and only "Socialists and Communists" opposed. He then suggested that unfavorable Japanese public attitude toward US was caused by economic problems such as civil air negotiations, fisheries dispute, and cotton and wool textiles. He added hope US would treat Japan on same basis as Canada. (He obviously had economic matters only in mind in this statement.)

4. I replied that relationship such as with Canada or perhaps more appropriately as with Germany would be highly desirable, pointing out that these countries gave strong governmental and public support to our mutual defense needs.

5. This initial approach to Sato was disappointing because he clearly wished to avoid at this time serious exchange on mutual interests and security problems. From other things he has been saying, I believe his thinking is that GOJ over next three months faces serious political problem in Diet fight over ratification of Korean treaty and therefore all other problems should be soft pedaled until this safely out of way, by which time he may expect Vietnam situation and state of public opinion in Japan will also have improved. I would agree that any public debate of US-Japanese relationship is undesirable at this time, but I feel that this should not inhibit confidential exploratory conversations. Real question I believe is whether Sato will be ready for serious examination of problems even after ratification of treaty. I propose to continue discreet soundings with leaders close to Sato and others with influence in Liberal Democratic Party with a view to

⁴ Not found.

testing how much support there may be in party for more forthright stand on Japan's relationship with US and its interests in Far East. My soundings might also help lay groundwork for fruitful talks this winter. Message I gave at Security Consultative Committee meeting was clearly understood, I am sure, and Yasukawa, Director of North American Bureau of Foreign Ministry, who was present at talk with Sato, in subsequent conversation appeared to agree with advisability of serious talks regarding our overall relationship and told us he had reported fully on Sato conversation to foreign minister.

Reischauer

61. Editorial Note

In September 1965 Prime Minister Sato began working behind the scenes to promote a negotiated settlement to the Vietnam conflict. Sato supported a journey to South Vietnam and the United States by Toshikazu Kase, former Japanese Ambassador to the United Nations, intended to elicit a clearer picture of the United States' role in Southeast Asia. Since retiring from the Japanese foreign service, Kase, a strong supporter of U.S. policy in Vietnam, was active as a writer and television commentator. Accordingly, the United States supported Kase's visits to Saigon and Washington based on the hope that upon his return to Japan he could educate the Japanese public and policy-makers about the situation in Vietnam and engender support for American actions there. Kase met with Ambassador Henry Cabot Lodge in Saigon and with Secretary Rusk and Assistant Secretary Bundy in Washington.

Similarly, in late January 1966, Prime Minister Sato sent Masayuki Yokoyama, a retired diplomat, on a mission to several European and Asian capitals to meet with North Vietnamese diplomatic representatives in an attempt to foster support for a peace conference on Vietnam. Some officials of the Japanese Foreign Office as well as Americans at the Embassy in Japan questioned the choice of Yokoyama as a suitable representative. Already in his 70s and retired since 1941, Yokoyama lacked contemporary political or diplomatic contacts and influence. Little was expected and little was achieved from his endeavors.

In addition to special envoys, Japanese diplomats became involved in Vietnam peace efforts. The limited contact began when the Japanese and North Vietnamese ambassadors serving in Moscow began periodic, private meetings to discuss the situation in Vietnam and the

prospects for peace. But after four meetings—in July, September, and December 1966 and in January 1967—the North Vietnamese Ambassador was reassigned and the talks ceased. The Japanese Ambassador attempted unsuccessfully to reestablish the relationship with the new North Vietnamese Ambassador in Moscow. The precedent set by the earlier meetings, however, spurred Prime Minister Sato to try to establish such contact elsewhere. In March 1967 he ordered Japanese Embassies in locations having North Vietnamese representation to attempt to open a diplomatic dialogue. On the whole, the Japanese overtures proved disappointing.

Telegrams, memoranda of conversations, reports, and similar documentation detailing these and other Japanese peace efforts are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S, POL 7 JAPAN, and POL JAPAN-US.

62. Letter From Secretary of State Rusk to Secretary of Defense McNamara¹

Washington, September 25, 1965.

Dear Bob:

You will recall Ambassador Reischauer's memorandum of July 14² in which he analyzed the present situation in Japan and advanced a number of recommendations for a new relationship with Japan, including a new regime for the Ryukyus. The new relationship would take account of the growth of Japanese nationalism, the mounting Communist threat in Southeast Asia, and the widespread desire in Japan for a more assertive stance toward the United States and a more prominent role in the Free World.

I share Ambassador Reischauer's view that we face a changing situation in Japan presenting dangers for United States interests if we fail to respond correctly, and opportunities if we do. I also share his view that our approach should be two pronged—removal of avoidable irritations in our relations, and high-level talks with the Japanese to

¹ Source: Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 3717, 092 Japan. Secret. The Department of State copy indicates it was drafted by Fearey and cleared by William Bundy, Solomon, Meyers, and Thompson. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 1 JAPAN-US)

² Document 55.

review our common interests in the Far East and to stimulate the Japanese to a larger role in the promotion of those interests.

My colleagues and I intend to do our utmost, in cooperation with other interested agencies, to arrive at agreements with the Japanese on civil air, fisheries, textiles and other bilateral economic issues. We are also working with public and private elements to promote better understanding in Japan of the Viet-Nam conflict and of our common interests there. We intend to explore within the United States Government the possibility of closer financial relationships which would help to sustain a satisfactory economic growth rate in Japan and further to bind Japanese interests with those of the United States. I am hopeful that by early 1966 we will have reduced substantially existing irritations and misunderstandings in US-Japanese relations.

There are a number of matters on which I believe our own views and interests should be clarified before we undertake formal, high-level talks with the Japanese. I suggest that our two Departments complete by late fall confidential studies of (a) the desirable missions, size and composition of the Japanese defense forces in the years ahead; (b) our future requirements in the Ryukyus, including analysis of whether administrative responsibility for the Ryukyuan population could be carried out by Japan without impairing the value of our bases; and (c) the overall US-Japan strategic relationship—political, economic and military—which will best serve our common interests in the Far East. If you agree, our staffs can work out detailed arrangements for these studies.³

I believe it would be useful for Ambassador Reischauer to initiate the informal, exploratory conversations with Japanese leaders which he recommends in his memorandum. If you agree, I will authorize him to do so, on the understanding that his own comments in these conversations will be personal and tentative, and will in no way affect the studies proposed above until they have been completed and their recommendations approved. The Ambassador would not bring up the Ryukyus. If the question were raised by the Japanese, he would give them no basis whatsoever for believing that we might be prepared to modify our present controls over the Ryukyuan population.

³ The Senior Interdepartmental Group (SIG), a high-level interagency body created in March 1966 to assist the Secretary of State with interdepartmental problems and matters affecting foreign policy, directed the Interdepartmental Regional Group for the Far East to prepare the studies and recommendations. Four studies resulted from the SIG directive: "Japanese Defense Forces," "U.S.-Japan Security Treaty," "The U.S.-Japan Overall Relationship," all issued on May 27, 1966, and "Our Ryukyus Bases," issued on August 24, 1966. Copies of those papers and related documentation are in the National Archives and Records Administration, RG 59, Lot 72 D 139, Country Files.

I have asked Assistant Secretary Bundy to serve as coordinator within the Department of State for the studies proposed above.⁴ Some of the conclusions and recommendations of these studies may require approval by the National Security Council.

With warm regards,
Sincerely,

Dean

⁴ In an October 11 letter to Rusk, McNamara agreed that the time had come to review and plan for the future of the U.S.-Japanese relationship. He endorsed undertaking the studies presented in Rusk's letter and designated McNaughton to represent the Department of Defense in coordinating the studies. (Ibid., Central Files 1964-66, POL JAPAN-US) Bundy appointed Fearey to represent the Department of State in the joint State/Defense studies. (Letter from Bundy to McNaughton, November 10; ibid., DEF 1 RYU IS)

63. Editorial Note

Between September 27 and October 1, 1965, Ambassador Reischauer and General Watson reviewed a range of problems pertaining to the Ryukyus. Both agreed that the security of the U.S. military presence on Okinawa was dependent on the Japanese fully understanding their own security interests and their role in maintaining stability in Southeast Asia. General Watson announced his decision to change the method of selecting the Ryukyu Chief Executive, who was currently appointed by the High Commissioner. Both the Ambassador and the Department of State concurred that such a change could defuse criticism of United States administration of the Islands and satisfy local desires for more autonomy, at least for the immediate future.

The manner of selecting the Chief Executive was considered within the Department of State over the ensuing weeks, with the merits of two methods discussed: election by the legislature and direct election by the voting population. The Department of State, Department of Defense, High Commissioner, and Ambassador Reischauer all agreed on the former course, on the grounds that it posed less of a risk than direct election by a restive populace. On December 20, President Johnson signed an Executive Order implementing the voting change. General Watson also announced the change in procedure on December 20, an announcement carefully timed to follow the election of the Mayor of Naha and to precede the introduction of a motion pending in the

Ryukyuan legislature providing for the direct popular election of the Chief Executive.

Documents pertaining to the issue are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS. The text of President Johnson's Statement and Executive Order is in Department of State *Bulletin*, January 10, 1966, page 66.

64. National Intelligence Estimate¹

NIE 41–65

Washington, November 26, 1965.

THE PROBLEM

To estimate the political, economic, and foreign policy prospects for Japan over the next two or three years.²

CONCLUSIONS

A. Prime Minister Sato's position is probably secure for the period of this estimate. It is unlikely that his conservative majority will shrink significantly in the next lower house elections, which will probably be held in 1966. The major threat to his position is the current business slowdown, but we believe that his administration's fiscal measures and the basic strengths of the economy will prevent further deterioration and permit a modest recovery within a year or so.

¹ Source: Department of State, INR/EAP Files: Lot 90 D 110, National Intelligence Estimates; Special Intelligence Estimates. Secret; Controlled Dissem. According to a note on the cover sheet, the Central Intelligence Agency and the intelligence organizations of the Departments of State and Defense and of the National Security Agency participated in the preparation of this estimate. All members of the USIB concurred with this estimate on November 26 except the representatives of the Atomic Energy Commission and the Federal Bureau of Investigation, who abstained on the grounds that the subject was outside their jurisdiction.

² This estimate supersedes the conclusion contained in NIE 41–63, October 9, 1963; see *Foreign Relations*, 1961–1963, vol. XXII, p. 674, footnote 1.

B. Another major problem for Sato is his identification with generally unpopular US policies in Vietnam. If extremists who now lead the opposition Socialist Party succeed in exploiting the issue to mount mass demonstrations on the scale of those in 1960, Sato might be forced to resign in favor of another, less identifiably pro-US conservative leader. On balance, however, we believe that the leftists will not succeed in removing Sato with these tactics under foreseeable circumstances.

C. Economic conflicts between Japan and the US will remain, but none has so far caused or is likely to cause any serious or lasting damage to a generally friendly relationship, or jeopardize the political stability of the Sato administration. The main problems in Japanese relations with the US will continue to be those of Communist China, Vietnam, and Okinawa. Japanese trade with Peking will continue to increase, though at a less spectacular rate than in recent months. In 1966, Sato will probably extend credit guarantees to cover exports to Communist China. He will seek to avoid diplomatic recognition of Peking as long as possible; but if Peking gained significant further international recognition, he would probably follow suit, hoping that any impairment of Japan's relationship with Taiwan would be temporary.

D. Japan will continue to rely on the Security Treaty with the US for military protection. While some qualitative improvement is in prospect, there is little chance that Sato will press for any major increases in Japan's own defense forces over the next two or three years. He will remain sensitive to public concerns on Vietnam and will continue to oppose the use of Okinawan bases for direct bombing attacks, particularly on North Vietnam. We foresee a growth of Japanese nationalism and self-assurance, which will be reflected in a somewhat more independent policy toward the US on these and other issues, and in a more active political role in general in East Asia.

E. Nonetheless, Japan's initiatives in foreign affairs are apt to be cautious and pragmatic, designed to further its efforts to expand trade in as many directions as possible. Willingness to support plans for development of Southeast Asia will be similarly conditioned; Japan is not prepared to accept US direction on its economic assistance role in the area.

65. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara¹

JCSM-900-65

Washington, December 23, 1965.

SUBJECT

Future of the Ryukyu Islands (U)

1. (S) Reference is made to JCSM-760-65, dated 16 October 1965, subject: "US-Japan Relations (U)," ² in which the Joint Chiefs of Staff agreed that the Departments of State and Defense should study US-Japanese relations, including an analysis of whether administrative responsibility for the Ryukyuan population could be carried out by Japan without impairing the value of our bases in the Ryukyus. Because of the strategic importance of the Ryukyus to the US military posture in the Pacific, the Joint Chiefs of Staff have considered separately the future of these islands. The views of the Joint Chiefs of Staff are set forth in the Appendix³ hereto and their conclusions follow:

a. Reversion of the Ryukyus to Japanese control would degrade the US strategic posture and seriously impair the US military position in the Far East. Exclusive US jurisdiction over the Ryukyus will continue for the foreseeable future to be essential to US and Free World security interests. Recent political problems with Japan over US use of Okinawa in support of Vietnam operations indicate the nature of the difficulties which the United States would likely encounter if the Ryukyus were under Japanese administrative control, even with special treaty provisions. This is particularly true [*1 line of source text not declassified*].

b. In view of the increasingly aggressive posture of Communist China, its growing nuclear capability, and the unsettled conditions in Southeast Asia, as well as in other areas around the periphery of Communist China, it would be premature and unrealistic to attempt to draw up a timetable for returning the Ryukyus to Japanese control.

c. Unilateral US control of Ryukyuan administrative procedures is essential for as long as we maintain major bases there to prevent the

¹ Source: Washington Nationals Records Center, OSD/OASD/ISA Files, FRC 330 70 A 1266, 092 Ryukyus. Secret.

² Not found.

³ Attached but not printed. This report was to serve as a basic document for an interdepartmental study of the Ryukyu question. (Memorandum from Maurice W. Roche to the Chairman, Joint Chiefs of Staff, February 21, 1966; Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 1266, 092 Ryukyus)

direct imposition of political limitations by another country upon the utilization of our Okinawa-based forces, equipment, materiel, and other resources. Less than full US administrative control of Okinawa would inhibit the operational flexibility of US military forces based there and might directly affect our nuclear capabilities in the Far East. Therefore, any transfer of administrative rights over the Ryukyus to Japan would severely dilute the military value of our Okinawan bases, particularly if there should be a change adverse to US interests in the Government or policies of Japan.

d. Demonstrated Japanese reluctance to share proportionately in Free World defense in the Pacific strengthens the requirement for continued US jurisdiction over Okinawa. Although the United States is exerting pressure on Japan to increase its defense effort, that pressure has not resulted in significant increases in its defense budget or in the scope of its defense mission, and it is premature to anticipate developments in this direction which would decrease the need for continued control of Okinawa by the United States.

e. The political situation appears to have improved somewhat since last July. Japanese officials have gone out of their way, on a number of occasions, to give public assurance of their acquiescence in the continuation of full US jurisdiction over the Ryukyus in order to insure the effectiveness of our military bases on Okinawa.

f. The Joint Chiefs of Staff do not concur in proposals to relinquish administrative authority over the Ryukyus to Japan or to share such authority with Japan. They do agree that the United States should continue to eliminate those restrictions on the private freedoms of the Ryukyuan people which are not essential to the maintenance of the security of US military installations or of the Ryukyus themselves. The United States should also continue to transfer additional functions to the Ryukyuan Government, provided that such actions do not adversely affect US security interests or impair our freedom of military action.

g. The United States should continue to provide economic aid based on the capability of the Ryukyuan economy to utilize such aid efficiently. Increased Japanese economic aid and technical assistance should be welcomed and encouraged. However, the United States should continue to exercise basic control over the Government of Japan's participation in the economic assistance program for the Ryukyus within the context of present US-Japanese agreements on this subject.

h. The United States should continue to use the US-Japan Consultative Committee, now operating under enlarged terms of reference, to accommodate Japan's legitimate concern for her nationals in the Ryukyus.

2. (U) The Joint Chiefs of Staff recommend that the Appendix be approved for incorporation in the Department of Defense portion of the forthcoming studies on this subject.

For the Joint Chiefs of Staff:
John P. McConnell⁴
Acting Chairman
Joint Chiefs of Staff

⁴ Printed from a copy that indicates McConnell signed the original.

66. Telegram From Vice President Humphrey to President Johnson¹

December 31, 1965, 1526Z.

CAP 65968. Eyes Only to President Johnson from Vice President Humphrey. White House pass Eyes Only to Secretary Rusk. No Distribution except Eyes Only Secretary Rusk.

Interim Report Meetings Prime Minister Sato and President Marcos.

1. Japanese Discussion

Meeting with Sato extremely cordial and encouraging.² Sato clearly wishes to be of assistance. Eagerly received information relative US efforts to seek negotiations with North Vietnamese and asked permission to immediately publicize data on numbers of meetings Rusk has held plus many US initiatives. Sato also instructed Japanese

¹ Source: Johnson Library, National Security File, International File, Vice President Trip, Far East, December 27, 1965. Top Secret; Eyes Only. Vice President Humphrey visited Japan December 29 as the first stop in his Far Eastern Trip, which lasted until January 2, 1966. He also visited the Philippines, the Republic of China, and the Republic of Korea. Humphrey was part of a high-level team of U.S. officials conferring with allies on the Vietnam war and prospects for a negotiated settlement.

² The meeting was held in Sato's office in Tokyo on December 28 from 11:50 a.m. to 12:55 p.m. A transcript of the discussion is *ibid.*, National Security File, Office of the President File, (Valenti, Jack, Memoranda of Conversations—Japan, the Philippines, Taiwan, Korea, December 1965–January 1966).

FonMin in my presence to call upon Soviet leaders in Moscow early in January and to assure them President Johnson wants peace.³

Sato plans Japanese effort to assure care for orphans in South Vietnam. Will shortly send Buddhist members of Japanese parliament to discuss with Buddhist leaders South Vietnam matters concerning orphans and refugees. I pressed Sato on Japanese aid to refugees. He said Japan would help. Sato responded favorably to suggestion additional medical teams and doctors be sent to South Vietnam. Probably to work with Buddhists. I suggested Japanese to provide complete medical service for at least one province. However, Japanese Govt will have to try to build up public sentiment so that Japanese doctors will volunteer for such duty. Sato emphasized precarious balance of Japanese Diet on every major issue pointing out supplementary budget was barely passed. Obviously he has difficult parliamentary and public relations problem but wants to do the right thing.

Sato deeply interested in hosting Southeast Asia Ministerial Conference on Economic Development about April even possibly including Indonesia and Cambodia. I strongly urged Japanese leadership in this regional economic development effort, even if discussions had to be bilateral. Sato clearly intends to proceed regardless of Indonesian and Cambodian decisions.⁴

Sato warmly welcomed initiatives on US-Japanese space operations. Obviously eager to cooperate and particularly interested in communication satellites. Would urge immediate followup discussions on space cooperation.

I concluded by underscoring President Johnson's strong feelings about encouraging peace initiatives of any kind. Asked Sato to speak up on US peace efforts and legitimacy of our cause and efforts in Vietnam.

[Omitted here is a summary of Humphrey's discussion with President Marcos of the Philippines.]

³ Japanese Foreign Minister Shiina's trip to Moscow had been previously scheduled for mid-January. (Telegram 2316 from Tokyo, January 3, 1966; National Archives and Records Administration, RG 59, Central Files 1964-66, POL 27 VIET S) Shiina visited Moscow from January 16-22. He raised the Vietnam issue with his Soviet counterpart, Foreign Minister Gromyko, on January 20, but was unsuccessful in his attempt to persuade the Soviets to urge North Vietnam to enter into negotiations. Gromyko adopted what was characterized as a "very tough and unrelenting attitude" toward the Vietnam situation. (Airgram A-920 from Tokyo, February 3, 1966; *ibid.*, POL 7 JAPAN)

⁴ In addition, Humphrey and Sato also discussed continued Japanese interest in and support for the Asian Development Bank and economic assistance to Southeast Asia. Sato expressed his country's disappointment that Manila rather than Tokyo was the headquarters for the Asian Development Bank, but hoped that the Bank's president would be Japanese. (Summary of Conversations with the Leadership of Japan, Philippines, Republic of China, and Korea, December 28, 1965 to January 2, 1966; Johnson Library, National Security File, Name File, Vice President, Vol. I)

67. Letter From the Ambassador to Japan (Reischauer) to Secretary of State Rusk

Tokyo, April 27, 1966.

[Source: National Archives and Records Administration, RG 59, Rusk Files: Lot 72 D 192, Secretary's Miscellaneous Correspondence. Official–Informal; Top Secret; Eyes Only. 3 pages of source text not declassified.]

68. Memorandum From McGeorge Bundy to President Johnson¹

New York, May 23, 1966.

SUBJECT

Future of Okinawa

The relations between the United States and Japan are currently very good indeed. The Japanese officials like to worry about Vietnam, but in fact they are substantially less troubled about it than they were a year ago. It is true that Vietnam gives the Socialists an easy stick with which to beat the United States, but members of the government respond quite well to a reminder that the United States cannot be expected to engage in appeasement or surrender simply in order to solve political problems which the Japanese themselves ought to handle.

Okinawa is a difficult matter. For the immediate future, there is no urgent problem and I do not think a single Japanese newspaperman or public official asked me one question about our base there or the treatment of the Okinawans, but between now and 1968 the situation is sure to change. We have about six months in which to frame a careful and forward-looking policy which will allow us to trade with the Japanese effectively.

In essence, the desirable trade would be one which restored Japanese civil government in Okinawa while insuring explicit Japanese acceptance of whatever military rights we need there. The trick here is

¹ Source: Johnson Library, Office Files of Bill Moyers, Ryukyus. The memorandum was sent to the President through Walt Rostow and has no security classification. On February 28 Bundy had submitted his resignation to assume the position of President of the Ford Foundation.

that we need nuclear rights in Okinawa and that it will be hard for the Japanese to grant them explicitly. (Right now the question does not arise simply because our military rights are unlimited under the terms of the peace treaty.)

Both the Okinawans and the Japanese will be pressing for full civil government, but as of 1966 it would be very difficult for the authorities in Tokyo to admit that they were accepting nuclear weapons on Japanese soil by their own free choice.

Ambassador Reischauer believes that this circle can be squared if we give the Japanese time and if as a government we are ready with our own position ahead of time. As I understand it, there is agreement already that State and Defense will be working on a new Okinawan policy in the coming months. But over the years experience has shown that State and Defense alone do not do a very good job on Okinawa. The problem tends to remain at a low level in both departments, and at this low level the desires of the diplomats and the military tend to clash with the result that no new agreed policy gets formulated. Like Panama and NATO, Okinawa by its very nature needs to have a White House push.

So I venture to suggest that you might wish to tell Walt Rostow to get his fingers into this one and make sure that you get current and timely information on the progress of the deliberations.² There is an additional reason for Presidential interest here because timing may be a quite critical factor in any new decisions on Okinawa, and neither State nor Defense is set up to make the kind of political judgment that a question of timing always presents.

McG. B.

² In a May 30 memorandum transmitting Bundy's letter to the President and outlining its major points, Rostow included three recommendations: a) that he be given responsibility for monitoring the issue for the President, b) that the Departments of State and Defense establish a working group to study the question, and c) that a member of his staff serve in that group. Rostow's memorandum does not indicate whether President Johnson approved those recommendations or initiated any action relevant to the issue. Efforts were already underway, however, to form a joint State-Defense working group and to reevaluate the Ryukyus problem. (Minutes of the Far East Interdepartmental Group meeting, May 25, and memorandum from Robert W. Barnett, June 1; both *ibid.*)

69. Memorandum From the Assistant Secretary of Defense for International Security Affairs (McNaughton) to the Acting Chairman of the Joint Chiefs of Staff (Johnson)

Washington, May 31, 1966.

[Source: Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 6647, 560 Japan. Top Secret. 5 pages of source text, including attachment, not declassified.]

70. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, June 14, 1966, 0843Z.

4365. 1. A number of factors have combined to indicate that now is the time to take a careful look at the disposition of U.S. air units in Japan with a view to the situation we desire or expect to see develop over the next five years. Consideration of where we will be five years from now will provide us a framework within which actions can be taken during the intervening period on a planned basis and with an objective in mind.

A. Rational debate on matters of security and defense has become possible in Japan in the last half year to extent that would not have been considered probable previously. Govt and Liberal Democratic Party have begun vigorous campaign to educate people on need for defense. Third CCNE has been significant factor in making people consider, many for the first time, that Chicoms pose actual threat to Japan. While most of this debate has been on conservative side, Democratic Socialist Party has also been involved and even Socialist Party has under consideration a new policy on security that would recognize need for maintaining self-defense forces, and by implication U.S.-Japan security treaty, even after such time as JSP might win power.²

B. Rising national pride and self-confidence together with increased interest in defense and regard for self-defense forces have pro-

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 15 JAPAN–US. Secret; Limdis. Repeated to CINCPAC and COMUSJAPAN.

² Additional documentation on the U.S.-Japanese dialogue on defense issues and the Security Treaty is *ibid.*, DEF 4 JAPAN–US.

duced indications that Japan will desire, over the next several years, to replace, to extent possible, American military air presence in Tokyo-Kanto plains area with Japanese units. This was theme of recent remarks to Ambassador of LDP Diet member Nakasone, who strongly supported continuation of security treaty after 1960 [1970] but stressed rising feeling of national pride dictated that Japan should provide own defense for capital area. Nakasone said that creation of Japanese strike force for mainland targeting was not beyond possibility, and that Japan could afford costs involved. Said that Prime Minister Sato had reacted favorably to his suggestions along these lines, and that he had discussed them with General Harris in Honolulu. Similar ideas were expressed to Ambassador by officials of Foreign Ministry and Defense Agency in private meeting on April 18 (memcon sent Dept, CINCPAC and COMUSJ).³

C. Problem of new international airport for Tokyo area has become acute. Foreign Ministry North American Bureau Director Yasukawa told Deputy Chief of Mission that even if decision made to proceed immediately with construction at proposed Tomisato site in Chiba prefecture, it would be ten years before airport could be operational. Embassy officers agree construction time Tomisato would be minimum of 5 years, maximum of ten years, after decision made, which does not seem imminent now because of political difficulties. In meantime, Yasukawa said, Haneda is becoming crowded and will be saturated by [garble—1971?] five years before first date by which he expected Tomisato could be in operation. Emergency expansion of some nearby airfield not now in sustained use did not appear feasible because of interference with flight patterns at Haneda and military fields. Yasukawa said that those in govt concerned with defense did not favor asking U.S. to give up an airfield in Tokyo area or share such a field for civilian use, but that situation may well develop when govt will be compelled to make such a request. Newspapers have reported in last few days that this may be one of matters brought up by Japanese side at forthcoming cabinet level economic conference.

D. Circumstances are about to reduce on-board U.S. air strength in Japan to new low. Itazuke has been on DOB status for several years; most of Marine air strength at Iwakuni has been in Vietnam for some time, and one of two last fighter squadrons has just departed for 60-day TDY in Taiwan; F-100 and F-101 squadrons will shortly leave Misawa for Southeast Asia, which will leave that field with only one squadron of F-100s; with departure of 18 F-105s from Yokota, three remaining understrength F-105 squadrons (18 aircraft each instead of

³ A memorandum of this conversation has not been found.

24) will be sole major U.S. air units there;⁴ other two major fields, Tachikawa and Atsugi (Navy), are used principally for administrative, logistic, transient and reconnaissance aircraft. Only expected additions are possible return of marine squadron from Taiwan after TDY and possible assignment F-102 squadron from CONUS to Misawa late summer.

2. Embassy believes that coincidence of D. above with other three factors make this the time for U.S. Govt to take a realistic look at what air units we expect to have in Japan over next five years, and where they ought to be located. At present we are concentrated in the area of highest population density and political sensitivity around the capital city of Tokyo. There are problems with jet noise, highly desirable land, national image, etc. which are more significant here than in other parts of Japan away from major urban centers. Actions which we might take now or over the next year or two to change this situation would result in helpful public reactions which would in turn pay off in terms of popular attitudes leading up to 1970 period, which will be critical for the continuation of the security treaty. Implementation of the idea that Japan should be responsible for air activities (including primarily air defense) around its capital would be a contribution to the growth of defense-mindedness at a time when attitudes on defense particularly critical.

3. There has been a down trend in the strength of our air units in Japan over the years, occasioned not by demands from Japan but by economy-mindedness on part of U.S. and higher priority needs for air units elsewhere. Our capability for air defense contribution has been small since removal of F-102s in 1964. If trend continues, we may well have no tactical aircraft stationed in Japan five or ten years hence. If this is likely probability, then we ought to begin talking with Japanese soon about effect this will have on need to retain facilities. Even at present time. For instance, Embassy sees no military reasons for considering Tokyo area optimum base for F-105s or similar aircraft, which are targeted against areas outside of Japan, while there are strong political and economic reasons why their being based in this area will be a grow-

⁴ The Military Airlift Command (MAC) of the U.S. Air Force planned an extensive expansion of the Yokota base costing an estimated \$7 million over 2 to 3 years to transform it into a transit station on the polar air route between the United States and Southeast Asia. MAC Headquarters in Illinois apparently saw the Embassy's suggestion to return the air base to Japan as due, at least in part, to Reischauer's desire "to make some meaningful gesture to the Japanese prior to his departure from that post and return to Harvard." (Letter from Murray E. Jackson, Political Adviser, Military Airlift Command, to Captain Asbury Coward, Politico-Military Affairs, June 10; National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 15 JAPAN-US)

ing liability in the next few years. There are, of course, ample reasons (principally cost of preparing alternative facilities elsewhere) why it is not easy to pick up and move, but we ought to be thinking ahead.

4. Embassy therefore recommends that State-Defense study be begun as soon as feasible on future air posture of U.S. forces in Japan.⁵ This should include consideration of degree to which we expect Japan to take over air defense and whether we should try to retain some part of air defense responsibility; what kinds of air units, in addition to air defense units, if any, we want to maintain in Japan as of 1971 and perhaps 1976; what would be optimum location of such units from military point of view; what administrative facilities, including airfields for administrative and logistic use, will be needed, and where should they be located, etc. Study should be done from point of view of military desirability without allowance for costs involved; political and domestic Japanese economic considerations should then be taken into account and, as final step, study should be made joint with GOJ. It would then be for GOJ, seeing our long-term military needs and applying political and economic considerations, to determine relative merits to it of moves from present-held facilities to other ones and costs that would involved therein, which we would expect Japan to bear in proper proportion.

5. Thus to make our long-range plans in conjunction with GOJ would, in Embassy opinion, be far better than allowing long-range policy in the end to be determined by day-to-day decisions made for short-term or operational reasons. Long-range plan, agreed to by Japan, would provide rational framework for solution of locally troublesome problems such as Mito Range, joint use of airports, noise, etc. Moreover, this approach would give us the maximum benefit in terms of impact on Japanese defense thinking and public attitudes towards defense in general and the security relationship with the U.S. in particular.

6. Embassy realizes that matters such as progress of Vietnam war make it difficult to arrive at decisions now on questions five or ten years hence. This should not, however, deter us from doing the best we can and coming up now with the best plan we can make for the

⁵ By June 16 the Department of Defense was actively considering the proposal, and McNamara had requested from the JCS information about the strength of personnel and equipment in Japan and the purposes they served. (Memorandum from William L. Givens to Captain Coward, June 16; *ibid*; and memorandum from McNamara to the Chairman of the JCS, June 16; Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 4662, Japan 370.02) In addition, a U.S. Air Force study analyzing Japan's air defense capabilities and future development was issued in mid-1966. (Analysis of the Japanese Air Defense with Options for Improvement (1967-1972), July 15; *ibid*., FRC 330 70 A 4443, Japan 373.24)

future use of air facilities in Japan. To do otherwise may well mean that our future capabilities will be determined by other factors beyond our control, resulting in a lessened value to the U.S. of our air bases in Japan and unnecessary strains in our defense and political relations with Japan.

Reischauer

71. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara

JCSM-411-66

Washington, June 17, 1966.

[Source: Washington National Records Center, OSD/OASD/ISA Files, FRC 330 71 A 6489, Japan 471.61 Sensitive. Top Secret; handling designator not declassified. 1 page of source text not declassified.]

72. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, July 2, 1966, 1254Z.

46. Ref Deptel 3687.²

1. As instructed by reftel, Ambassador July 1 reviewed with Prime Minister Sato overall U.S.-Japan relationship in light of paper on that subject approved by SIG.³ Ambassador also informed Sato in detail of

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL JAPAN-US. Secret; Limdis; Priority. Repeated to Taipei for Rusk and Bundy.

² In telegram 3687 to Tokyo, June 22, Bundy notified Reischauer that SIG policy papers on U.S.-Japan Overall Relationship, U.S.-Japan Security Treaty, and the Japanese Defense Forces had been approved and that he should begin carrying out the actions they outlined. (Ibid.)

³ Reference is to "The U.S.-Japan Overall Relationship," May 27. (Ibid., S/PC Files: Lot 72 D 139, Country Files)

our views on security treaty after 1970, as indicated para 13 of SIG paper on treaty.⁴

2. In opening remarks Sato referred to bombing of POL depots in North Vietnam⁵ and said although international reaction at this time might not be good, in view of sacrifices U.S. was making in Vietnam U.S. had to carry through with military actions good results of which would be recognized later. Said it was important, in his opinion, to concentrate attacks on military facilities and at same time keep up talk about willingness to negotiate. Ambassador noted preliminary reports show bombing effective and loss of life small.

3. Regarding Ambassador's review of U.S. views on relationship with Japan, Sato said he was impressed by two points Ambassador had emphasized, that Japan is now a world power again, and that U.S. sees American and Japanese national interests as parallel. He agreed completely with this formulation, and said these two ideas formed basis on which U.S. should understand Japan. From the point of view of Japan's being a major country, Sato said he wanted to deal in forthcoming talk with Secretary Rusk in two broad areas:⁶

A. Peace in Asia and in the world, and U.S. relations with USSR, France and England, the major countries of Europe. His implication was that if U.S. really considered Japan one of great powers, he would like to know how our relations with Japan compared with those with other great powers.

B. Vietnam and China, concrete problems which must always come up.

4. Regarding China, Prime Minister said that coordination of policy toward the GRC was very important. He noted that opinion in U.S. on China seemed always in motion, and referred, without being specific, to opinions expressed by Senator Robert Kennedy and Vice

⁴ Paragraph 13 of the paper "U.S.-Japan Security Treaty," May 27, contained a list of recommended actions for Reischauer to implement, namely, to inform Sato of the U.S. commitment to maintaining the treaty without revisions and to request that the Japanese Government declare its intention to renew the treaty. (Ibid.)

⁵ President Johnson explained in a letter presented to Sato on June 23 that the bombing raids on rail and road bridges had been resumed to disrupt North Vietnamese supply lines, which had been expanded during the bombing pause in December and January. (Telegram 3691 to Tokyo, June 22; *ibid.*, Central Files 1964-66, POL 27 VIET S)

⁶ Rusk visited Japan July 4-7 to attend the U.S.-Japan Joint Committee on Trade and Economic Affairs held in Kyoto. On July 6 and 7 Rusk discussed a broad range of topics with Shiina. On July 7 Rusk went to Tokyo and met with Sato. In addition to visiting Japan, Rusk traveled to Australia, the Philippines, the Republic of China, and the Republic of Korea during his official visit to the Far East between June 25 and July 9. Documentation on Rusk's trip to Japan is *ibid.*, POL JAPAN-US, POL CHICOM-JAPAN, POL JAPAN-KOR S, POL 19 RYU IS, DEF 4 JAPAN-US, DEF 12 CHICOM, E 1 JAPAN-US, and FT 1 JAPAN-US.

President Humphrey. He said, however, that he realized that U.S. policy was not changing and that President Johnson had told him, when they met last year, that U.S. policy was not going to change.

5. Concerning Vietnam, Sato expressed gratification that although Japan was not militarily engaged in that conflict U.S. had kept him well informed of developments there. Noted that no chance for peace should be neglected and perhaps such chances had to be made, not waited for. Said great powers often thought to have primary responsibility for maintaining order but he thought that the other side, even though much smaller, also had a responsibility. Both sides shared responsibility for getting together for solution of war, and he repeated his earlier statement that U.S. should keep up the bombing and at the same time show a "gentle face."

6. Sato said he thought he and Secretary should discuss Chirep and share voting estimates, and consider whether "Important Question" was one more way to get over this problem.

7. Prime Minister said Japan's basic attitude towards the Ryukyus and Bonins had not changed, and was one of understanding and co-operation with U.S. However, he referred to current controversy over removal of two cases involving validity of HICOM ordinances from Ryukyuan courts to USCAR courts and asked whether U.S. could not do something about matters like this, which were not questions of procedure but of substance. U.S. actions in these cases appeared arbitrary to him, and he thought matters concerning taxes and elections ought to be left to local authorities for solution.⁷

8. Regarding Ambassador's review of defense matters, Sato commented that these were the same fundamental views he had. He noted President Johnson had told him last year that U.S. guarantees were effective against nuclear attack, a point made again in Ambassador's review. Said Japan was not thinking of building own nuclear forces, and would cooperate on question of nonproliferation. GOJ had a very difficult problem on question of introduction of U.S. nuclear weapons into

⁷ During their meeting on July 7, Sato briefly mentioned the court cases to Rusk, who agreed to look into the matter after returning to Washington. (Memorandum of conversation; *ibid.*, POL 19 RYU IS) At issue were the so-called "Mackerel" case, involving a HICOM ordinance taxing imported mackerel, and the Timori case, questioning an ordinance establishing qualifications for elected officials. The USCAR Court issued its verdicts on both cases on December 2. The verdict in the "Mackerel" case upheld the HICOM ordinance and garnered little comment. The verdict in the more highly publicized Timori case attracted attention because the USCAR Court decision seemingly granted GRI courts the right to challenge the validity of HICOM ordinances. Soon after the verdict was announced, HICOM repealed the ordinance, a long-planned action having no relationship to the verdict but nevertheless granting GRI authorities jurisdiction over qualifications of the Islands' elected representatives. (Airgram A-761 from Tokyo, December 9; *ibid.*, POL 2-1 JAPAN) Additional documentation pertaining to the cases is *ibid.*, POL 19 RYU IS.

Japan, and this was connected with Okinawa problem. There had been no fundamental change in GOJ attitude, and he asked for U.S. understanding of GOJ's difficulties. On Japan's self-defense efforts, Sato said defense forces were weak and this was a domestic problem. He wanted to build defense expenditures up to level of two percent of GNP, but could not say this out loud publicly. He asked that U.S. not say anything about the percentage of GNP applied to defense, as this would cause GOJ internal difficulties. Ambassador noted that earlier U.S. had sometimes referred to this matter but that for past two years we had studiously avoided subject.

9. Referring to U.S. balance of payments problem, which Ambassador had brought up in review, Sato said he realized balance of payment was in favor of Japan and that U.S. payments due to Vietnam war were problem for us. Sato said he understood U.S. difficulty and was trying quietly to help. But that he was not able to say "Buy American" out loud to businessmen very well. Ambassador noted this remained very important problem for U.S. and there were other areas besides trade where Japan could be helpful. Sato said he thought matter ought to be discussed fully at Kyoto ECONCOM.

10. Sato then said he wanted to raise one more question, and ask for U.S. help in connection with forthcoming visit of USSR ForMin Gromyko (last week of July). Said that when Sov Fisheries Minister Ishkov was in Japan recently Ishkov maintained there was no connection between fisheries agreements and problem of "northern territories" (Kunashiri and Etorofu Islands). Sato, however, had insisted to Ishkov that there was a connection, and he thought there might have been something new in the way in which Ishkov talked. Latter said, according to Sato, that Okinawa was occupied by U.S. and Kunashiri and Etorofu by USSR. Sato replied that U.S. was in Okinawa as result of a treaty with Japan, while Soviets held northern islands illegally without a treaty. From way in which Ishkov avoided further discussion Sato felt he had scored point, especially since Japan Communist Party and socialist party had always claimed that way to get northern islands [garble—back?] was to get U.S. out of Okinawa.

11. Sato then asked rhetorically what was the best way to "clean up" the northern islands problem. Bilaterally? Through appeal to UN? World Court? Said it was too early to make specific decision but would eventually ask U.S. advice. He realized Sovs had great difficulty in giving on territorial problem vis-à-vis Japan since they were faced with number of similar territorial problems with European neighbors. On other hand years passed and reality had to be recognized, since it continued to be reality whether recognized or not. Germany and Korea were still divided, and Japan had its northern islands problem. U.S. had recognized Japan's "residual sovereignty" in Ryukyus and it would be well if USSR did same regarding northern islands. Sato said

some opportunity for settlement must be found, even though he was called a revanchist by the Soviets.

12. Referring to Sato's desire to discuss relations between U.S. and great European powers, Ambassador said that our ideal of U.S.-Japan relations would be for them to be like those U.S. has with England, and he hoped our relations would grow in that direction. Sato remarked that he had thought that Labor Govt under Wilson supported U.S. more than had Conservatives, but he noted support had not held up on bombing of North Vietnam.

13. *Comment:* Embassy particularly impressed with Sato eagerness to be informed on U.S. relations with what he considers three great powers of Europe, and we hope Secretary will include appropriate time on that subject. Critique of de Gaulle visit to Moscow will undoubtedly be at top of Sato's list.

Reischauer

73. Memorandum of Conversation¹

Kyoto, July 7, 1966.

SUBJECT

Okinawa and Bonin Islands

PARTICIPANTS

Foreign Minister Shiina
 Ambassador Ryuji Takeuchi
 Takeshi Yasukawa, Director, North American Affairs Bureau, Foreign Ministry
 Nobuyuki Nakashima, Deputy Director, North American Affairs Bureau, Foreign Ministry
 Makoto Watanabe, North American Section, Foreign Ministry
 Secretary of State Dean Rusk
 Ambassador Edwin O. Reischauer
 William P. Bundy, Assistant Secretary of State
 Robert W. Barnett, Deputy Assistant Secretary of State for Far Eastern Economic Affairs
 Richard L. Sneider, Country Director for Japan
 J. O. Zurhellen, Counselor of Embassy, American Embassy, Tokyo

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 KYU IS. Secret. Drafted by Zurhellen and approved in S on July 25. The memorandum is part 3 of 4. The meeting was held in the Conference Hall in Kyoto.

1. Foreign Minister Shiina told Secretary Rusk that the GOJ thinks the security problem in the Far East is more important than the so-called "reversion" of Okinawa, but the problem is neither easy nor simple. Twenty years have passed since the end of the war and this question has aroused vocal public opinion. This public reaction may become more severe unless it is treated tactfully. It would help to ameliorate this problem if the U.S. would consider broadening its attitude on the question of the expansion of local autonomy. He did not mean that anything should be done of such a scale that would greatly surprise the Okinawans, but it would be good to take a lenient view. If public opinion was kept under pressure, this would only increase the opposition. Mr. Shiina thought that the agitation regarding reversion could be countered by action in the area of local autonomy.

2. Foreign Minister Shiina then mentioned the Bonin Islands. He noted that there had been 7,000 residents when the population was moved from the Bonin Islands to Japan during the war. By now, however, very few of them still wish to go back. The majority have found jobs on the mainland of Japan. Because they have not been permitted to return to the islands, however, even those who do not themselves wish to go back have joined in the pressure on this matter. The Foreign Minister wondered whether it would not be possible to experiment with the idea of letting two or three hundred return to the islands as a way of dodging this problem. If the residents realize that they can go back they would gain psychological assurance and would calm down. This was not an urgent problem but he hoped the U.S. would give consideration to it.

3. Secretary Rusk said that he would look into the question of the Bonins but he did not know what our answer could be. He saw problems of trying to create a reasonable standard of living for civilians in these islands. There might also be military problems. He said he would look into this question and let Ambassador Reischauer know.²

4. Regarding Okinawa, Secretary Rusk thought frank comments were in our mutual interest. He understood this was a public opinion problem in Japan and thought this would continue until reversion was accomplished, U.S. bases were gone and the Security Treaty had ended. He questioned whether intermediate steps would satisfy or increase public opinion. Public opinion might be insatiable. President Kennedy had asked Prime Minister Ikeda whether the Japanese request regarding the flying of flags and the joint effort to improve the standard of living were steps which could stand on their own merit or whether

² In telegram 21450, August 4, the Department informed the Embassy that the possibility of allowing some former residents to return to the Bonin Islands had been explored but determined to be infeasible. (Ibid., POL 19 BONIN IS)

they were part of a nibbling process to which there would be no end. Ikeda had said that this was not a nibbling process but that action on these matters would make an important difference, and so President Kennedy had agreed.

5. Mr. Rusk thought that the Okinawa base would be vital as long as Peking had not turned clearly to peaceful coexistence. He would be glad, however, to consult regarding problems of public opinion. However, the U.S. was concerned with the war in Southeast Asia. It had been necessary to use the Okinawa base for that war and this had created adverse public opinion. Would this not be worse if Japan had a great direct responsibility for Okinawa? The U.S. cannot accept greater limitations on our base rights. From the point of view of the GOJ he wondered whether it was not in a stronger position by not having to consent. Nevertheless, the Secretary did not want this problem to harm U.S.-Japan relations and he hoped for frank discussions. If there could be peace in Southeast Asia, this would help the Ryukyus problem.

6. The Secretary noted that he had talked with Ambassador Reischauer to some extent on this subject and would speak with him further before evening. Beyond that, he urged Foreign Minister Shiina and Prime Minister Sato to stay in close touch with him and President Johnson regarding what the real problem was, what the right relations would be, and what the end result was that was desired. Then at least the top leaders of the government could be in agreement even though public opinion problems might develop.

7. Mr. Shiina said that he had not been to Okinawa and he had not studied in detail how local autonomy might be expanded without weakening the military base. He wanted the Secretary to understand, however, that what he had said was only from the point of view of trying to find a way to satisfy public opinion without weakening the military base.

8. Secretary Rusk said that in the broad sense the U.S. favored autonomy. He would discuss this further with Ambassador Reischauer. He was not sure, however, that it was possible to satisfy public opinion. Public opinion pressure would grow. Its emphasis might shift, but it would continue to be a problem.

74. Memorandum of Conversation¹

Tokyo, July 7, 1966, 6:15 p.m.

SUBJECT

U.S.-Japan Security Treaty

PARTICIPANTS

Prime Minister Sato
Foreign Minister Shiina
Chief Cabinet Secretary Hashimoto
Ambassador Ryuji Takeuchi
Makoto Watanabe, North American Section, Foreign Ministry

Secretary of State Dean Rusk
Ambassador Edwin O. Reischauer
William P. Bundy, Assistant Secretary of State
J. Owen Zurhellen, Jr., Counselor of Embassy, American Embassy, Tokyo

1. Mr. Sato noted that the newspapers had reported that a 10 year extension of the Security Treaty beyond 1970 was desired. The Japanese Government, however, had not yet reached any such conclusion. He was sure that Japan wanted the Security Treaty to continue and the Government was considering what would be the best means to have that done.

2. Secretary Rusk said that he would be glad to keep in close and discreet touch on this matter. It was better not to create problems of public opinion until the Governments themselves had formed their opinions. As far as he knew, the U.S. would want the Treaty to continue. If Japan agreed with this, he thought it best to consider whether any changes at all were desirable. The basic question was whether both countries wanted the Treaty to continue. As far as he was concerned, the answer for the U.S. was yes. How to handle this as a tactical matter would be another question. Except for President De Gaulle,² all of the NATO countries simply expect the NATO Treaty to continue after 1969 (which is similar for NATO to the 1970 date for the treaty with

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 4 JAPAN-US. Secret. Drafted by Zurhellen and approved in S on July 25. The memorandum is part 5 of 7. The meeting was held at the Prime Minister's Residence in Tokyo.

² In March 1966 President de Gaulle terminated his country's participation in the military component of the NATO alliance, requiring that all Allied troops leave French soil and that French troops no longer serve within NATO forces. France's withdrawal was expected to be complete by April 1969. (*American Foreign Policy: Current Documents, 1966*, pp. 316-326)

Japan). Of course, any country could, if it wanted, take advantage of the ability to terminate the treaty on one year's notice.

3. The Secretary suggested that contacts between the U.S. and Japan on this matter be discreet. If the discussions become public, there might be problems in both countries. We should not borrow 1970's troubles today.

4. Prime Minister Sato said emphatically that there was no De Gaulle in Japan. Moreover, regarding changes in the Treaty, there would be even greater difficulties in the Japanese Diet than in the U.S. Senate. As the Secretary said, this matter could be considered quietly but he thought it ought to be considered now before it becomes urgent. He noted that there were many opinions regarding the Treaty in Japan. The Liberal Democratic Party had put out a tentative report on this subject but this should not be considered Government policy.

5. The Secretary said that it might be that before this matter reached the point of decision there would be peace in Southeast Asia and this would reduce the tension regarding the Security Treaty. The Prime Minister replied that personally he seriously doubted whether that hope would materialize in time but he thought both sides should discuss the Treaty in the interim.

6. Secretary Rusk said that the nature of the criticism that would arise in the U.S. if the Treaty again came up for discussion was that the Treaty was too unilateral. The U.S. had pledged American lives for the defense of Japan but there was no similar pledge of Japanese lives for the defense of the U.S. This could cause debate in the United States if brought up at this time. At the press conference today he had been asked whether the U.S. would defend Japan with nuclear weapons if Japan suffered a nuclear attack. He had said that any such attack would be insane but that if it happened, the U.S. would defend Japan with whatever was required.

7. The Secretary asked whether, in the absence of a Security Treaty with the United States, there would be strong pressure in Japan to develop nuclear weapons. The Prime Minister replied that he personally did not think it would be a good thing for Japan to follow France; the majority of the Japanese people had not forgotten Hiroshima and were opposed to nuclear weapons. Now that Communist China has a nuclear capability, however, arguments have appeared in Japan that Japan would need nuclear weapons for its own defense.

75. Memorandum of Conversation¹

Tokyo, July 7, 1966.

SUBJECT

U.S.-Japan Bilateral Relations

PARTICIPANTS

Prime Minister Sato
Foreign Minister Shiina
Chief Cabinet Secretary Hashimoto
Ambassador Ryuji Takeuchi
Makoto Watanabe, North American Section, Foreign Ministry

Secretary of State Dean Rusk
Ambassador Edwin O. Reischauer
William P. Bundy, Assistant Secretary of State
J. Owen Zurhellen, Jr., Counselor of Embassy, America Embassy, Tokyo

1. Mr. Sato noted that he thought U.S.-Japan bilateral relations were all going well. He wondered if the Secretary had something to say on bilateral problems.

2. The Secretary agreed that bilateral relations were generally in good shape. This was partially because there had been a rapid expansion of economic relations, and trade and prosperity tend to ameliorate problems. He was happy that the civil air agreement had been concluded since the last Joint Economic Conference. He had mentioned some other matters during the conference on which Ambassador Reischauer would follow up. Among these was the problem of Micronesian claims on which he hoped action could be taken. He noted that the U.S. and Japan also had to think about fisheries and similar matters but the important questions for both countries are the larger matters which involve the rest of the world.

3. Prime Minister Sato said that now that the civil aviation matter was settled, there still remained one small problem—that is wool textiles. He had noted last year that this problem had caused President Johnson concern and it was still pending. The Secretary said that it would, of course, remain pending until it had been finally settled. This was a troublesome matter and he hoped it could be taken care of.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 4 JAPAN-US. Secret. Drafted by Zurhellen and approved in S on July 25. The memorandum is part 6 of 7. The meeting was held at the Prime Minister's Residence in Tokyo. At the conclusion of their official meetings Rusk and Sato met privately at 7:30 p.m. They briefly discussed the military situation in Vietnam and their joint efforts to keep UN representation in the hands of the Republic of China. (Memorandum of conversation, July 7; *ibid.*, Conference Files: Lot 67 D 305)

4. The Prime Minister said that in view of the President's deep concern about the wool textile problem last year he had tried to keep this matter quiet in Japan but he did have problems here too. He realized, however, that the President had far greater worries.

5. The Secretary remarked that problems of this sort tend to become issues in the U.S. in election years. We should try to do things in the in-between period as much as possible.

6. The Prime Minister asked whether there would be a Cabinet level meeting regarding the Kennedy Round. The Secretary replied that there no doubt would be at the right time but now what was needed was more effort at the working level. The next move was up to the EEC.

7. Mr. Sato recalled that at the time of the first Joint Economic Committee meeting at Hakone, a cartoon had appeared in the *Washington Post* alleging that the Pacific was a "one way street" as far as trade was concerned. At that time the U.S. had had a favorable balance of trade. Now the situation is reversed and the balance is in favor of Japan. He thought however, that this was a natural phenomenon and should be treated as such.

8. Mr. Rusk said that Japan has a favorable trade balance with the U.S. of about \$300 million a year and in addition to this, obtains \$300 to \$350 million from American military expenditures in Japan. He hoped that the U.S. Treasury representatives and those of the Japanese Finance Ministry would discuss this problem. If the problem is a serious one, he hoped that a way would be found to settle it without hurting relations between the two countries. He noted that Japanese sales to the U.S. were rising faster than American sales to Japan, but said we should see what happens. He noted that the Vietnam war adds a billion dollars to the U.S. balance of payments problem. This is one of the many reasons we would like to see peace in Southeast Asia.

76. Memorandum Prepared by Counselor and Chairman of the Policy Planning Council (Owen)¹

Washington, July 12, 1966.

SUBJECT

Japanese Attitudes on Non-Proliferation

In recent US-Japanese policy planning talks in Tokyo,² Japanese Foreign Office officials (at the Deputy Under Secretary and Assistant Secretary level) provided some insight into Japanese attitudes on non-proliferation.

This recollection of their personal and informal remarks has been checked with a member of the US delegation who was present and took notes.

1. *The Japanese said they were not contemplating a national nuclear program, but, if India went nuclear, pressures in Japan for such a program would mount rapidly.*

The Japanese thought it would be the height of folly for a country as burdened by economic problems as India to go nuclear. We urged them to share this view with the Indians and they seemed to think well of this.

2. *The Japanese indicated that it would be difficult for them to sign a non-proliferation treaty unless some "compensation" narrowed the gap between the nuclear and the non-nuclear powers.* This compensation might be either progress in disarmament, which involved sacrifices by the nuclear powers, or a greater say by non-nuclear powers in the use of nuclear weapons.³

Failing this, the Japanese said that they would object to being formally consigned to "second class status." They spoke with feeling on

¹ Source: Johnson Library, National Security File, Country Files, Japan, Vol. IV. Secret. Rostow sent this memorandum to the President under cover of a July 16 note that indicates President Johnson read the memorandum. (Ibid.)

² The U.S.-Japanese Policy Planning Talks were held from June 18–20 in Hakone, Japan. Topics discussed were the world situation, China, Asian regional economic cooperation, and nuclear proliferation and arms control. (Telegram 3843 from Tokyo, May 7; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 1 JAPAN-US)

³ The Japanese included among the kinds of disarmament which would meet their need a threshold or comprehensive test ban. Their position was thus milder than that of Trivedi, the Indian delegate to the Geneva Disarmament Conference, who told the US, UK, and Soviet delegates on July 5 that India would not sign a non-proliferation treaty unless it were accompanied by a cut-off of weapons production. [Footnote in the source text.]

this point, and said that we should make more of an effort to understand the viewpoint of key nuclear capable countries on this matter.

3. *Japan's position in this respect would be eased, they indicated, if one of the existing middle rank nuclear powers, notably the UK, were to get out of the national nuclear business, via a collective force or otherwise.*⁴

They could accept a situation in which only the US and USSR had nuclear weapons, but once other middle rank powers (UK, France) entered the field their position became more difficult.

Their immediate concern in the nuclear field, it was clear, was not so much in meeting the Chinese threat as in narrowing the gap between Japan and other free world countries—countries which they considered no more prestigious than themselves and to whom they were unwilling, therefore, to grant pride of place in matters nuclear.

HO

⁴ Rostow's July 16 note drew the President's attention to this point with reference to the upcoming informal visit of British Prime Minister Harold Wilson on July 28 and 29. (Johnson Library, National Security File, Country Files, Japan, Vol. IV)

77. Editorial Note

Ambassador Reischauer submitted his resignation in April and left Japan on August 19, 1966, to resume his academic career at Harvard University. He explains his reasons for leaving in *My Life Between Japan and America*, pages 295–297 and 301.

Shortly before his departure from Tokyo, Ambassador Reischauer wrote a lengthy critique of U.S. policy toward the People's Republic of China and its effects on United States-Japan relations. That document, telegram 1126 from Tokyo, August 11, is printed in *Foreign Relations, 1964–1968*, volume XXX, Document 174.

78. Editorial Note

The United States Government's examination of questions surrounding the Ryukyu Islands and its military bases on Okinawa culminated in an Interdepartmental Working Group, consisting of repre-

sentatives from the Departments of State, Defense, and the Army, as well as from the Joint Chiefs and the White House, issuing a report entitled *Our Ryukyus Bases*. The report, August 24, 1966, concluded that the U.S. role in the Ryukyus was approaching a period of transition necessitating increased local autonomy, the eventual transfer of sovereignty over the Islands to Japan, and at the same time retention by the United States of unrestricted rights to utilize and operate its bases, including deployment of nuclear weapons. On September 13 the report was reviewed by the Senior Interdepartmental Group, which adopted its recommendations "to expand local Ryukyuan autonomy and increase the Japanese role in Ryukyuan affairs without impairing the essential integrity of U.S. administration and the operational capability of the U.S. bases in the Ryukyus." To achieve its objectives, the United States needed to cooperate closely with the Government of Japan, and both the Embassy and the High Commissioner of the Ryukyus were to monitor continuously events on the Islands, issuing semi-annual reports on their findings, as well as develop specific recommendations to implement the report's objectives. (Telegram 62978 from Washington, October 10; National Archives and Records Administration, RG 59, Central Files 1964-66, POL 19 RYU IS)

A copy of the report is in the Johnson Library, National Security File, Agency File, Senior Interdepartmental Group, 14th Meeting, September 13, 1966, Vol. I. Additional documentation on the study and implementation of U.S. policy toward the Ryukyus is in the National Archives and Records Administration, RG 59, Central Files 1964-66, POL 19 RYU IS, POL 19 RYU IS-US, and DEF 15 RYU IS-US.

79. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, September 7, 1966, 0949Z.

1822. 1. Chargé and EmbOffs had luncheon-discussion regarding Okinawa Sept 7 with DirGen PriMin's office Mori, Vice Ministers Uemura and Furuya and Salb Director Yamano. General Maxwell Taylor, house guest of Chargé, was also present.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 19 RYU IS. Secret. Repeated to HICOMRY, CINCPAC for POLAD, and DA.

2. Mori described his impressions of recent visit to Okinawa as follows: greatly impressed with attitude and actions of HICOM in all fields; struck by lack of strong influence over events in Okinawa by either USG or GOJ; if present situation (frustration of natural desire of Ryukyuan people for reversion to Japan) continues for much longer, Okinawa may be lost to both U.S. and Japan in sense that conservatives will be voted out of power and Leftists will take over who will cooperate with neither U.S. nor Japan and who will destroy usefulness of U.S. bases in Okinawa; some measures to provide “safety valve” are necessary to prevent anti-American and anti-Japanese explosion; Ryukyuan need to have faith restored in Japan as homeland which will look out for their interests; return to GOJ of administration of education would be symbolic gesture which would take care of ameliorating Okinawa problem for some time to come.

2. [*sic*] Regarding details of education proposal, Mori said these under study and number of permutations possible.² Said education was field in Japan in which central govt had relatively little control and most of power left to prefectures. If Japan education law applied to Ryukyus, actual field of operation of Education Ministry would be quite small and principal authority would still remain with GRI.

3. Chargé and EmbOffs pointed out U.S. view of Okinawa problem is different. Freedom to use military bases for direct operational purposes and for nuclear purposes is key factor in usefulness of U.S. bases in Okinawa, and this freedom is denied U.S. bases in Japan proper under security treaty. Japan benefits from U.S. defense efforts in Far East and nuclear, umbrella, but has not yet found it possible to share responsibility with U.S. in these areas. Until such time as Japan decides to share responsibility and onus with U.S. for unrestricted use of bases in Okinawa, U.S. feels that undivided U.S. administration of Okinawa is necessary. From our point of view, therefore, problem is for Japan to move forward in defense field to extent that will facilitate solution of Okinawa problem, rather than for U.S. to divide administration under present circumstances.

² Soon after assuming the position of Director General of the Prime Minister's Office on August 1, Kiyoshi Mori advanced an approach to the Okinawa problem known as “functional reversion.” The concept promoted the “return to GOJ on gradual basis of functional areas of Okinawan administration, unrelated to immediate military mission of bases.” Mori recommended the return of Japan's administrative rights over the Okinawan educational system as a first step toward functional reversion. The concept was criticized by government officials and LDP members for being too vague, oversimplifying the nature of the problem, and conflicting with U.S.-Japanese agreements. (Airgram A-308 from Tokyo, August 26; *ibid.*, POL 2-1 JAPAN) Additional documentation on the issue is *ibid.*, POL 7 JAPAN and POL JAPAN-US. Although the controversy surrounding the concept decreased after Mori's removal from the Director General's post in early December, when Sato reformed his cabinet, functional reversion continued to be an issue into 1967. (Telegram 4238 from Tokyo, December 7; *ibid.*, POL 19 RYU IS)

4. EmbOffs further noted any division of administrative authority to place GOJ in direct chain of command [garble—to GRI] would cause considerable administrative problems and conflicts of interest.

5. Mori brought up question of next meeting of Consultative Committee on GOJ aid program.³ He noted FonMin Shiina due to leave Sept 20 on trip abroad, returning around Oct 10. Mori suggested interval before Shiina's return to Japan be used for informal discussions of aid program to achieve working level agreement which could be ratified at ConCom meeting after Shiina's return. EmbOffs noted GOJ has not replied to informal indications that U.S. would suggest aid program of approx 20 million dollars. Japanese explained that current GRI demands for aid total 25 million dollars. If GOJ agrees to U.S. proposal of 20 million dollars, it will be criticized for ignoring requests of GRI. If GOJ proposes 25 million figure to U.S., it would anticipate adverse American reaction. GOJ therefore hopes USCAR and GRI will get together and reach figure agreeable to both, which could then be presented to GOJ for consideration without problem of choosing between USCAR and GRI requests. EmbOffs noted negotiations on GOJ aid program were between USG and GOJ, not with GRI, and expressed hope GOJ would make judgments based on USCAR realistic appraisal of need and ability absorb aid. Matter remained inconclusive, and Embassy would appreciate advice from HICOM whether Embassy should reiterate to GOJ that 20 million figure is firm U.S. proposal or whether USCAR sees reasonable prospect of presenting GOJ with new figure which could be supported by GRI. In principle, Embassy agrees with idea of reaching agreement with GOJ in preliminary talks for ratification at conference.

6. Mori mentioned extensive damage in Ryukyus caused by recent typhoons and said [garble] had been instructed assess damage and consult with USCAR regarding emergency assistance that could be extended by GOJ. Would appreciate advice from HICOM on this matter.⁴

7. Throughout conversation, Mori was friendly but remarks were strongly worded and clearly strongly meant. During discussion of need for GOJ to move forward on defense matters, he said that LDP certainly want to do this, but that greater conservative strength is prerequisite. He stated strongly that as far as he was concerned, Japan should realize U.S. was in Okinawa to maintain world peace and

³ The U.S.-Japanese Consultative Committee on the Ryukyu Islands met on October 18.

⁴ At the ConCom meeting, the U.S. proposed a Japanese aid program of \$25.8 million for FY 1967 and \$4.23 million for typhoon relief in 1966 and 1967. (Telegram 2900 from Tokyo, October 18; National Archives and Records Administration, RG 59, Central Files 1964-66, POL 19 RYU IS)

Japan should cooperate unreservedly for that purpose. He said this included Japanese agreement to the introduction of nuclear weapons and unrestricted use of bases. Embassy expects Mori will continue to argue for return of education administration to Japan, but believes some success may have been gained in convincing him that this would not be the simple cure-all which he thinks it is, and that problem of Okinawa must be viewed in overall defense context and not simply as [garble] for reversion.

Emmerson

80. Telegram From Secretary of State Rusk to President Johnson¹

Taipei, December 7, 1966, 11:48 p.m.

Secto 21/1716. Eyes Only for the President and the Acting Secretary.

I was pleased with the talk I had with Prime Minister Sato.² I drew him aside for private discussion of the great importance of additional Japanese assistance in Viet-Nam. His response was constructive and he immediately suggested the possibility that he could build more Vietnamese assistance on the Southeast Asia Agricultural Development Conference then in session in Tokyo. There is a wide range of opportunity for Japanese personnel to pitch in in South Viet-Nam and their immediate problem is to sort things out in Saigon so that we can be quite specific about who is needed where and for what. A qualification is Sato's own weakened political position and the possibility of national elections in the weeks immediately ahead.

On other subjects, Sato was helpful and relaxed about Okinawa, indicated clearly that they would move on the Prek Thnot project in Cambodia, was very pleased with the UN result on Chinese seating,³ and appreciated my private assurance that we would keep in touch

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN-US. Secret; Nodis; Eyes Only. The President's copy of the telegram, which indicates he saw it, is in the Johnson Library, National Security File, Country Files, China, Vol. VIII.

² Rusk visited Tokyo from December 5–7 to meet with senior Japanese officials.

³ Resolutions to seat the People's Republic of China were defeated. (*Yearbook of the United Nations*, 1966, pp. 133–138)

with him on non-proliferation, Chinese missile developments, and the ABM problem. On the last, I indicated that we had not yet come to any firm conclusions on a very complicated matter.

[Omitted here is brief commentary on foreign assistance to Vietnam by countries other than Japan.]

Rusk

81. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, December 22, 1966, 0600Z.

4531. Personal for Bundy, Kohler and McNaughton from Ambassador Johnson.

1. MAAG Japan has been informed that Japan is not to be included in FY-68 MAP budget request. This means that, unless other action is taken, the orientation/influence training program for Japan will be terminated next June 30. I most earnestly feel that this would be a mistake and urge that a way be found to permit the continuance of this program which is so important to our long-range interests here.

2. I am of course not opposed to the termination of MAP program as such for Japan. This country is admittedly capable of financing its own military needs. Orientation/influence training, however, is not "assistance" to Japan. It is a calculated action taken by the U.S. for its own purposes and in its own interests, and for this purpose Japan should not be bracketed with Western Europe or the U.K. I can well understand why this kind of training may not meet the qualifications for "military assistance" to other countries. However that does not mean that the program itself should be terminated. Rather, I would hope we could exercise ingenuity to find the small amount of necessary funds from another pocket if it is not possible to continue to fund it from MAP.

3. Left to themselves, Japanese self-defense forces will continue to finance those trips to U.S. and training programs which they believe desirable from their own point of view. Understandably they will tend

¹ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 19-9 US-JAPAN. Secret; Limdis. Also sent to the Department of Defense and repeated to CINCPAC, COMUSJAPAN, and CHIEFMAAG.

to use their money to send senior officers and those who have reasons of prestige or position for wanting to go. There is nothing wrong in this and we will welcome these officers. On the other hand, we have a positive interest in providing U.S. influence over the younger officers who are still in the lower and middle grades and who will be in positions of high command a generation from now. This new generation of younger men will not have had the long and broad contact with the U.S. forces in Japan which many of their elders had. It may be a long time before they qualify under Japanese requirements for training in the U.S. By that time their attitudes on broad questions of strategy and international affairs may have been hardened beyond our ability to influence. In long-range terms, we cannot afford to neglect this opportunity to see to it that the next generation of Japanese professional military men is oriented towards the U.S. Our experience with the way our training programs for the Indonesian Army had paid off ought to be a lesson to us in this regard. The fact that the Japanese military forces do not now play a decisive role in the affairs of this country does not mean that we can be complacent about the long-range future. I have long been convinced that the money that we put into bringing foreign military officers to the U.S. pays as big if not bigger long-range dividends than any other funds we spend. The day will come when the professional military men in this country, with all of its potential for good or bad, will have a much stronger voice than they now have. It will be important that that voice have been influenced toward our point of view. We spend considerable sums doing this on the civilian side.² We must find some way to assure that the military side is not neglected. The amount of money involved now is not great, but the principle is important. If we agree on the principle let me know how I can help.³

Johnson

² Reference is to the approximately \$400,000 budgeted for [*text not declassified*] indirect advancement of U.S. views within Japanese society. [*text not declassified*] (Report through 1966; Department of State, INR/IL Historical Files; EAP General, EA Reviews, 1964–66) Such resources were used, for example, in an attempt to influence public and political opinion in Japan in the spring of 1966 after a nuclear detonation by the People's Republic of China. [*text not declassified*] (Memorandum from H.L.T. Koren to Hughes and Denney, May 13; *ibid.*, 1966 FE Weekly Meetings, January–July)

³ The Embassy received a Joint State-Defense message advising that no alternative means had been found to fund the program for FY 1968. The question was left open for reconsideration for FY 1969, if necessary. (Telegram 152080 to Tokyo, March 9, 1967; National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 19–9 US-JAPAN)

82. Information Memorandum from the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy) to Under Secretary of State for Political Affairs (Rostow) and the Deputy Under Secretary of State for Political Affairs (Kohler)¹

Washington, January 11, 1967.

SUBJECT

Security Consultations with Japan

Background

For some years, we have engaged in a variety of sporadic and largely superficial security and defense consultations with the Japanese Government. These discussions have been undertaken in three forums:

(1) Infrequent meetings of U.S.-Japan Security Consultative Committee organized under the revised Security Treaty in 1960, composed of the American Ambassador, CINCPAC, the Minister of Foreign Affairs and the Director of the Defense Agency;

(2) Contingency planning at the tactical level by MAAG/Japan and U.S. Forces Japan with the Japanese Self-Defense Force staffs; and

(3) Informal conversations initiated by the Embassy with senior Japanese officials.

Up to the present time, the security discussions in these forums have been inhibited both by Japanese reluctance to engage in a meaningful dialogue particularly on nuclear matters due to domestic political pressures, and by U.S. resistance to spell out in specific terms our security objectives and strategy in Asia.

Recent Developments

In the past few months, the Japanese, partially stimulated by informal U.S. prodding, have begun to shed their inhibitions on security consultations. Three approaches have been made to us:

(1) At the recent U.S.-Japan policy planning talks a request for more meaningful security consultations was informally made;²

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, DEF 1 JAPAN-US. Secret; Exdis. A handwritten note on the memorandum reads: "Mr. Rostow: of particular interest. Joe" as well as the word "Thanks," presumably added by Rostow. Joe has not been identified.

² Policy Planning Talks were held November 28-30, 1966, in Washington. Additional documents relative to Japan's increased interest in security matters and the development of approaches to security consultations are *ibid.*, Central Files 1964-66, and DEF 12 CHICOM.

(2) In Paris, the Japanese expressed interest in learning about the NATO Nuclear Planning Group,³ and

(3) The Japanese Chief of Staff made a more specific request to the Embassy for a discussion of Chinese nuclear capability and ABMs.⁴

These requests reflect a major reconsideration within the inner circles of the Japanese Government of Japan's defense and security policies, focusing on the crucial issue of Japanese nuclear policy over the next decade. At the present time, the Japanese interest is largely *information gathering*; the decisions will come later and their timing could depend to a considerable extent on political developments within Japan.

For our part, the Japanese initiatives are welcome and in fact have preempted plans we were developing for proposing broader security consultations with Japan. The new security consultations will require from us considerably greater frankness and specificity in discussing security matters including nuclear weapons, but we are agreed on the necessity for this. The major advantages to us are a major opportunity, first, to influence Japanese defense strategy before it is finally formulated, including efforts to discourage a Japanese nuclear program and encourage a broader regional security role, and second, to develop a closer and more tightly knit security relationship with Japan preparatory to the period when Japan will play a major power role in Asia in security, as well as in economic, terms.

This approach, as well as specific actions outlined below, have been worked out in agreement with DOD. Secretary McNamara has approved the ABM discussion with Japan and the formation of a new permanent U.S.-Japan security consultative forum involving State and Defense.⁵ He has also offered to visit Japan in this connection at an appropriate time, if it would be helpful.

³ In telegram 9675 from Paris, December 27, 1966, the Embassy in France reported that the First Secretary of the Japanese Embassy in Paris had inquired into the function, responsibilities, and procedures of the Nuclear Defense Affairs Committee and the Nuclear Planning Group within NATO. A summary of the conversation on those and other matters followed. (Ibid., DEF 12 NATO)

⁴ General Amano, Japanese Chief of Staff, requested information "for use in planning anti-missile defenses" for the 1972–1977 period. (Telegram 4120 from Tokyo, December 2, 1966; *ibid.*, DEF 1 JAPAN-US)

⁵ McNamara approved of those approaches as set forth in a January 9 memorandum from McNaughton outlining U.S.-Japanese security issues. In that memorandum, McNaughton expressed his view that U.S. "interests in Asia—including our desire to prevent a Japanese nuclear program, to have the Japanese make a greater contribution to Asian security, and to have Japanese policies support our own—require that we respond to the Japanese requests by moving toward a permanent institution for security consultation." In a handwritten addition to the memorandum McNaughton noted his intention to discuss the matter with Reischauer. According to a January 5 note from

Actions Already Undertaken

We have taken the following steps to date:

(1) We have informed Ambassador Johnson of our agreement on the desirability of engaging in regular consultations with Japan on security matters and indicated that we have no rigid views on specific organizational arrangements (Tab A).⁶

(2) We have proposed and the Japanese have agreed that we send a technical team to Japan to brief Japanese officials on the Chinese Communist advanced weapons program and to discuss technological leakages to Communist China in this area.⁷

(3) We have briefed the Japanese in Washington on the organizational arrangements of the NPG.

(4) We have informally discussed with Vice Minister Ushiba the adding of an additional day to the May U.S.-Japan Planning talks at which security matters would be discussed with Defense officials attending.

(5) We are informing Ambassador Johnson that we are prepared to undertake discussions with the Japanese on ABM defense following similar discussions with NATO this Spring (Tab B).⁸

Future Actions

We consider the above as the first steps toward our basic objective of engaging in a meaningful security dialogue with Japan on a regular periodic basis. The pace at which we move to this objective will

Halperin to McNaughton, Reischauer hesitated to encourage such talks in the past out of concern that the U.S. "would use them primarily to browbeat the Japanese to increase their defense budget." (Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4546, 381 Japan)

⁶ Attached but not printed at Tab A is telegram 100598 to Tokyo, December 10, 1966.

⁷ The Department of State had ongoing concern that Japanese technology, leaked or otherwise made available by commercial firms in Japan, had aided the advance of Chinese nuclear and missile programs. (Telegram 66787 to Tokyo, October 14, 1966; National Archives and Records Administration, RG 59, Central Files 1964-66, DEF 12 CHICOM) High-level briefings on that issue as well as on the status of Chinese nuclear and missile development were conducted in Tokyo on March 1 and 2. (Telegrams 6127 and 6224 from Tokyo, March 1 and 3, respectively; *ibid.*) The topic was also a subject of discussion at the periodic meeting between the East Asia section of the Department of State and the CIA held on August 31. Reports indicated that "a Japanese had been passing information to the Chinese Communists about Japanese missile development." While the information did not advance Chinese weaponry, it did give them insight into Japanese space development. And, although Sato opposed the situation, "the Japanese business community did not . . . and continued blithely to sell sophisticated equipment to the Chinese." (Memorandum from Trueheart to Hughes, Denney, and Evans, September 1; Department of State, INR/IL Historical Files, EAP General, 1967 FE Weekly Meetings)

⁸ Attached but not printed at Tab B is telegram 118734 to Tokyo, January 13.

depend in large part on the Japanese. Our proposed posture is to respond quickly to Japanese initiatives and, on occasion, plant the seed for such initiatives, but not to force the pace too rapidly to the political discomfort of the Japanese Government. We have three specific actions in mind for the future:

(1) Organizing a permanent U.S.-Japanese security group consisting of State and Defense officials at the Assistant Secretary or Deputy Assistant Secretary level and their counterparts in Japan.⁹

(2) Engaging in gradually broadened security discussions involving such questions as ABMs, the role of U.S. bases in the Pacific, air defense alternatives, regional security strategy, and nuclear weapons problems.

(3) Setting the stage for setting up a U.S.-Japan counterpart to the NATO Nuclear Planning Group, although at the present time this would be premature.¹⁰

⁹ Both sides were prepared to proceed with this step by late March, and the first meeting took place from May 25–26 in Tokyo. The structure adopted for the consultations was the creation of a special subcommittee within the existing U.S.-Japan Security Consultative Committee. (Telegrams 5471 and 7014 from Tokyo, February 3 and March 31 respectively, and airgram A-1738 from Tokyo, June 27, transmitting memoranda of conversations of the meetings; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 1 JAPAN-US)

¹⁰ At this point appears the handwritten notation “Yes.”

83. Editorial Note

By late 1966 and early 1967 the United States and Japan initiated actions to advance the Japanese role not only in Asia, but also in global affairs. As a consequence, relations between the United States and Japan came to mirror more closely the interactive relationship between the United States and its most important European partners.

In mid-December 1966 Deputy Assistant Secretary of State for African Affairs Fredericks and Deputy Chief of the African Section of the Japanese Foreign Ministry Nishisaki discussed a Japanese proposal for arranging regularly scheduled, bilateral talks on Africa. The matter was followed-up by the Japanese Embassy later that month. The Department of State, already conducting such general discussions with its major European allies, welcomed Japan's proposals for a similar arrangement to exchange ideas and information on mutual African interests. After further discussion with Japanese representatives and

consultation with the Embassy, the Department of State authorized the Embassy on January 26, 1967, to conclude an agreement with the Japanese Foreign Office for talks on Africa to take place once each year, with the meeting site alternating between Washington and Tokyo. The informal talks among Bureau-level officials would consist of a tour d'horizon as well as discussion of specific interests of either side. After a series of unavoidable delays, the first bilateral meeting on Africa took place on December 18 and 19 in Washington. Documentation on the African talks is in the National Archives and Records Administration, RG 59, Central Files 1967-69, POL 1 JAPAN-US.

Also in early 1967 the United States approached Japan with a proposal to meet, in Tokyo and Washington in alternating years, shortly before the opening of the United Nations General Assembly in order to exchange views on current issues likely to be brought before that body. The United States already had such an arrangement with Great Britain and had recently initiated the practice with Canada. The first consultative meeting with the Japanese took place on July 24 and 25 in Tokyo. The United States was represented by former Under Secretary of State Ball and Assistant Secretary of State for International Organization Affairs Sisco. Documentation covering the meetings is *ibid.*, POL 7 US/GOLDBERG and *ibid.*, POL JAPAN-US. In the autumn of 1967 prior to the upcoming General Assembly, Foreign Minister Miki informed Ambassador Goldberg of Japan's intention to assume a more active leadership role relative to political issues coming before the United Nations, signaling a definitive shift in Japan's prior overriding concern with economic matters. (*Ibid.*, UN 22-2 JAPAN)

As the Embassy pointed out, Japan's emergence as a major player on the world stage led to increased Japanese interest in pursuing policies reflective of its national interests and independence. In that regard, the need to settle the Okinawa issue became more urgent, the Security Treaty and Japan's role in defense and military issues were more widely discussed, and the view that adherence to the Nuclear Non-Proliferation Treaty would make Japan an unequal power and circumscribe its sovereignty emerged as a subject of some debate. Japan's desire "for a prominent, unique and independent national policy" was not, however, incompatible with the United States' foreign-policy objective of having Japan accept a regional and global role equal to its economic status. (Airgram A-1398 from Tokyo, April 17; *ibid.*, POL 1 JAPAN-US)

**84. Memorandum From the President's Special Assistant
(Rostow) to President Johnson¹**

Washington, March 1, 1967.

Mr. President:

This thoughtful cable from Alex Johnson is the kind Ambassadors should write but rarely do.

He conveys Sato's anxiety that U.S. détente with the U.S.S.R. could throw the Japanese position in Asia out of balance.

It is parallel to Western European anxiety about the détente and the non-proliferation treaty.

Basically, what Japan wants is a Communist China that is not so weak that it is under Soviet dominance and not so strong that it threatens Japan. It wants a Soviet Union not in open conflict with the U.S. but sufficiently preoccupied with the U.S., China, etc., so that it must take Japan seriously and doesn't feel free to lean on it.

Japan wants our protection, economic ties, and friendship. From that base it wants to build a position of leadership in Asia; trade from a position of strength with both Communist China and the Soviet Union.

But it doesn't want us buddying up too close to either Communist China or the U.S.S.R.—especially the latter, because of its greater relative strength.

Walt

¹ Source: Johnson Library, National Security File, Country File, Japan, Vol. VI. Secret. The memorandum indicates that the President saw it.

Attachment

Telegram From the Embassy in Japan to the Department of State²

Tokyo, March 1, 1967, 0930Z.

Copy of Tokyo 6126 From Alexis Johnson, March 1, 1967

1. I want to call attention to Sato's statements re the Soviet Union (in Tokyo's 6063).³ It will be noted that he expressed fear that the Soviets might take advantage of Chicom weakness to take action against the periphery of China; that he placed part of the blame for the rise of Mao on the Soviets (the rest of the blame rested on Japan); that he warned against trusting the Soviets, including the statements they make to us on the Chicoms, and in general, made clear that he considers the Soviets, rather than Communist China, as the major threat to Japan.⁴ This is the first time that I have heard an expression of this kind from any Japanese leader, and it is clear to me that he was deliberately and advisedly taking advantage of an opportunity to make these statements.

2. We should, of course, not be surprised at this, as it corresponds with historical and deep-rooted Japanese attitudes toward Russia, whether imperial or Communist, while in the recent latest developments in China, have the appearance of somewhat reversing these historical Japanese attitudes, what Sato seemed to be indicating was that these short-term trends do not change the underlying pro-China, anti-Russia feelings of Japan. Although Japan is appalled at much of what is now going on in Communist China and is worried at the Chinese development of nuclear weapons, what Sato was saying was that a gain in Soviet territories or strength at the expense of China would be a source of deep concern to Japan.

² Secret; Exdis. The cable was retyped for the President. The White House copy bears the handwritten notation "A thoughtful alert from Alexis. BKS" added by Bromley K. Smith. (Ibid.) The Department of State copy is in the National Archives and Records Administration, RG 59, Central Files 1967-69, POL 7 US/GOLDBERG.

³ Telegram 6063 from Tokyo, February 27, reports on a conversation among Goldberg, U. Alexis Johnson, and Sato held at the Prime Minister's official residence on February 27. (Ibid.)

⁴ In a March 9 memorandum outlining his Asian trip, Goldberg reported similar information to President Johnson and Rusk, stating that the Japanese "retain a basic respect and sympathy for the Chinese," are "not so concerned about Communist China's expansionist tendencies," but are wary of "the expansionist designs of the Soviets vis-à-vis Asia." (Ibid., Rusk Files: Lot 72 D 192, Secretary's Miscellaneous Correspondence)

3. We have recently had other signs of Japanese uneasiness over how the U.S. attitude toward mainland developments might develop, with some officials seeming to be concerned lest the United States might be hoping for prolonged disorder as the optimum state of affairs. To some extent this concern may reflect the worry that in the future the U.S. might be tempted to take sides in the mainland imbroglio or otherwise try to exploit the chaotic conditions there, and in the process get bogged down in the kind of morass which engulfed Japan in the late 30's; however, the concern over Soviet expansionism expressed by Sato seems to be a much larger element in Japanese misgivings.

4. I believe that there are also several implications in Sato's remarks with respect to U.S.-Japanese relations. First, while on the one hand they welcome a reduction in US-Soviet "tension" and the opportunity to improve their own relations with the Soviets, they are concerned that relations between the two "super powers," the U.S. and the U.S.S.R., not "improve" to the extent that we and the Soviets face Japan with *fait accompli* in matters concerning Japanese interests.

5. The schizophrenia of Japan on the nuclear proliferation treaty is a good example. Military considerations, e.g., the fact that the NPT requires Japan to renounce its options while doing nothing to meet its immediate concerns, which are the Soviet Union and Communist China, are in my opinion only a part of the reason for Japan's ambivalence on the NPT. Another important factor is the Japanese hypersensitivity to any suggestion that the U.S. and U.S.S.R. are moving toward a kind of "super-powers" club from which Japan will be forever excluded. The drive toward parity with the great powers has been one of the most consistent themes of Japan's modern history. In spite of its present attitudes on military and nuclear affairs, an implied relegation of Japan to second-class status because of her non-possession of nuclear arms would ultimately constitute a powerful incentive to go after an independent nuclear capability. These attitudes are, of course, being nurtured by public statements coming from West Germany, probably communicating even more forcefully in Japanese-German consultations on the NPT. Thus, I tend to agree with Ambassador Takeuchi that while in the end Japan will probably have no choice but to sign the NPT on whatever terms the U.S. and Soviets are able to agree upon, we should not necessarily take Japan for granted in this regard.

6. Fisheries is another area where Japan discerns tendencies in U.S.-Soviet relations that are disturbing to it: not so much because of their intrinsic importance, but because of their reflection of what it discerns as tendencies in U.S.-Soviet relations. Japan, of course, recognizes that there is a certain basic congruence of U.S.-Soviet fishing interests in the North Pacific as opposed to the interests of Japan; however, I

believe that it does genuinely disturb them when they think that we are using agreements already reached between ourselves and the Soviets to demand similar concessions or more from the Japanese.⁵ I am, of course, well aware of these fishery problems, and there is no reason that we should not bargain hard with the Japanese on them, but in devising our tactics we should be conscious of these Japanese attitudes and recognize that Japanese may well read more in the way of broad political implications into them than we intend.

7. As opportunity offers, I will probe on Sato's theme with him and also with Shimoda, who was former Ambassador in Moscow as well as DCM in Washington, and who now holds a key position in the Government of Japan on these matters. However, in the meanwhile, I did want to call the Department's attention to Sato's remarks and what I feel were the implications, that must be taken into account in our relations with this country.

Johnson

⁵ The Japanese concern was twofold: (1) U.S. claim to a 12-mile territorial right for fishing interests without considering Japan's historical fishing rights; and (2) U.S. propensity to treat Japan and the USSR equally, even though the latter claimed its own 12-mile sea right and fished off the U.S. coast for a shorter period of time than Japan. (Telegrams 118835 and 119438 to Tokyo, January 14 and 16, respectively, and memorandum of conversation, February 14; all *ibid.*, Central Files 1967-69, POL 33-4 JAPAN-US) After a series of negotiations, agreements between the United States and Japan on major fishing issues were reached by an exchange of notes and agreed minutes on May 9. The agreements permitted some fishing by Japan within the 12-mile zone, restricted certain catches to beyond that zone, and addressed issues relevant to Japanese salmon fishing. The texts of the agreements are in 18 UST 1309.

85. Memorandum of Conversation¹

Washington, March 30, 1967, 4:05-4:25 p.m.

SUBJECT

Courtesy Call of Mr. Seiho Matsuoka, Chief Executive of the Ryukyuan Islands

¹ Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 72 A 2468, Okinawa 091.112. Confidential. Drafted by Pont and approved in DASD/FE (ISA) on March 31. The meeting was held in McNamara's office at the Pentagon.

PARTICIPANTS

Ryukyuan Side

Chief Executive—Seiho Matsuoka

Chief of Public Transportation, GRI—Yoei Miyara

United States Side

Secretary of Defense—Robert S. McNamara

Deputy Assistant Secretary of Defense/FE (ISA)—Richard C. Steadman

Deputy Under Secretary of the Army (IA)—Thaddeus Holt

Staff Assistant, Far East Region (ISA)—James K. Pont

1. *Social*: Social pleasantries were exchanged and photographs taken. Mr. Matsuoka commented that his last trip to the United States had been in 1962. He said he expected this trip to last a week to ten days.²

2. *Economic Aid to Ryukyus*: Mr. Matsuoka said the main purpose of this trip was to show his support for the proposed Price Act amendment which would raise the ceiling on U.S. aid to Okinawa. He said he had mentioned this to President Johnson³ and would also do so to Members of Congress. The Secretary indicated that the Administration supports this amendment.

Mr. Matsuoka continued by expressing gratitude on behalf of the people of Okinawa for U.S. aid since 1945. He cautioned, however, that some people were never happy and the Opposition was very tough to handle. He said he had given the details to the Secretary of the Army and would not take up the Secretary's time by repeating them to him. He asked if the Secretary had any questions.

3. *U.S. Presence on Okinawa and U.S., Japanese & Okinawa Relations*:

The Secretary asked Mr. Matsuoka for his view of the long-run relationship between the U.S. military forces on Okinawa and the Okinawans. Mr. Matsuoka answered that the Conservatives understood the situation in the Far East and the resulting need for the U.S. presence. The Opposition, however, did not and they continued to clamor for the removal of U.S. forces. He said the Opposition now numbered about 45% of the legislature and was gradually increasing.

The Secretary then asked Mr. Matsuoka how the Opposition would feel if the U.S. did leave Okinawa. Mr. Matsuoka replied that the left-

² In a meeting with Matsuoka on April 4, Rusk confirmed that the United States continued to handle foreign relations of the Ryukyus, despite the recent adoption of a new flag bearing Japan's colors for Ryukyuan vessels. Matsuoka pointed out that that "anomalous position" coupled with other questions of authority and economic development on the Islands produced dissatisfaction and a desire for reversion among a majority of the population. (Memorandum of conversation; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU US)

³ Making a brief courtesy call, Matsuoka met with President Johnson at the White House on March 29 from 1–1:15 p.m. (Johnson Library, President's Daily Diary)

ists don't look at the effect this would have on the economy; rather, they point to and exploit the fact of foreign presence on Okinawan soil, a politically potent subject. He said the Opposition ignored the fact that the foreign exchange gained from U.S. presence helps to balance out the excess of Okinawan imports over exports. He indicated his concern over a possible two-fold effect if the amendment to the Price Act fails to pass: (1) \$5 million shortage in the GRI FY67 budget and (2) increased propaganda by the Opposition against U.S. control when Japanese aid is greater than that given by the U.S.

The Secretary then asked Mr. Matsuoka how he believed GOJ and GRI officials would act toward U.S. bases if the administration of Okinawa did revert to Japan. Mr. Matsuoka answered that because of the dispersion of the bases over the island and the resulting inter-relationships, the leftist and communist elements could cause agitation which would be very hard to control. The Secretary said that to him this raised a fundamental long-range question concerning the willingness of the American people to remain in Okinawa, thereby protecting the Okinawans and the Japanese, unless the Okinawans and the Japanese want the U.S. there and are willing to provide the environment necessary to make that stay militarily effective.

Indicating that he was still speaking on a personal basis and not giving a U.S. Government position, The Secretary said he believed that Okinawans and Japanese need to study very carefully their own self-interest in continued U.S. presence on Okinawa. The U.S. cannot govern Okinawa indefinitely and should not impose its will on other countries. If the Japanese and Okinawans find it in their own self-interest for the U.S. to remain, they should begin moving toward a position of increasing political support for the U.S. and its objectives, allowing the U.S. to make its role in the Far East less unilateral. He indicated that the U.S. does not require Okinawa to protect Hawaii or San Francisco. Furthermore, he did not believe the U.S. public would support the defense of other countries who (1) don't want to be defended or (2) want to be defended but don't want to stand beside the U.S. politically.

The Secretary re-emphasized his view on two basic points (1) the U.S. should not again be put in a position of having to stand alone and (2) the need for Okinawan and Japanese political support. This support would include the flexibility required to make U.S. presence on Okinawa efficient from a military viewpoint. As a related but broader proposition, The Secretary expressed his opinion that Japan needs to take a much larger political and economic role in Asia and that Asian nations need to undertake more long-term regional activities. He pointed to recent healthy signs such as ASPAC, and the Korea-Japan settlement.

Mr. Matsuoka stated Prime Minister Sato had repeatedly told him that Japan depends on the U.S. for protection. The Japanese constitution

presents the government with problems in this regard. Furthermore, by relying on the U.S., the Japanese can devote their resources to economic activities. He continued by noting that his party in Okinawa as well as the Japanese Government realize the cost incurred by the U.S. because of its stay on Okinawa. He said they also realize that the U.S. remains there and bears this cost because of Communist tension. The Secretary responded that he believes the U.S. should stay only when the host country wants the U.S. to do so, Communist tension or not. If it is strictly a unilateral U.S. decision, it is basically wrong. He realizes that the Japanese and Okinawan people need time to reconsider this problem and the public needs to be educated. He also realizes that the U.S. should help by such actions as amending the Price Act. Mr. Matsuo reiterated his belief that the Japanese Government did realize that the U.S. is paying for defense of Japan. He alluded to some recent speeches which have brought out this point, especially those by the Minister of Agriculture. The Secretary emphasized the need for a viable U.S.-Japan partnership which included active political support by Japan. As an example, he felt that in another Vietnam Japan could not stand aside, but would need to play a positive political role.

4. *Conclusion:* The Secretary concluded the discussion by saying how much he had enjoyed this opportunity for an exchange of frank and personal views.

86. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara¹

JCSM-376-67

Washington, June 29, 1967.

SUBJECT

Military Utility of the Bonins (U)

1. (S) Reference is made to your memorandum, dated 3 June 1967, subject as above, which requested the views of the Joint Chiefs of Staff on the military utility of the Bonins at the present time.²

¹ Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 72 A 2468, Okinawa 323.3. Secret. The memorandum indicates McNamara saw it.

² McNamara's June 3 memorandum is *ibid.*, 092 Bonin Islands. His request resulted from a Japanese request during the SCC Subcommittee meeting in late May for an assessment of the military value of the Bonin Islands. (Memorandum from McNaughton

2. (S) The Joint Chiefs of Staff have studied this matter and view the military utility of the Bonin, Volcano, and Marcus Islands as follows:

a. *General Assessment*

(1) Because of the instability of long-term security relationships in the Pacific, these islands represent an important strategic asset which should be retained by the United States. The strategic value of these islands must be judged in the context of long-term US national security interests as a Pacific power rather than current US regional defense commitments.

(2) Under the current US western Pacific military posture (dependent upon Japanese and Okinawan basing), the value of these islands is less apparent; however, with the increasing political limitations affecting military operations from these forward bases, the strategic value of the Bonin, Volcano, and Marcus Islands becomes more evident.

(3) Loss of direct US control of these islands would deny the United States an important potential for meeting a wide range of military requirements that could develop under various contingencies.

(4) If the islands are to be available for military requirements in the future, the very limited usable land cannot be returned to civilian use.

(5) The Bonin–Volcano–Marcus Islands, which also are administered by the United States under Article 3 of the Treaty of Peace with Japan, should be considered a separate military entity and not be made a part of any Ryukyuan reversion negotiations. Although not considered an alternative to the Ryukyus, retention of the Bonin–Volcano–Marcus Islands would enable the United States to salvage a measure of flexibility in the western Pacific, should satisfactory base rights in the Ryukyus and Japan fail to endure.

(6) Any change in status should be deferred pending attainment of US sovereign control in the Trust Territory of the Pacific Islands.

b. *Current Utilization.* Strategically, these islands are important as a backup for US bases in Japan, the Ryukyus, and the Philippines. They currently function as bases for navigation aids, weather stations, standby/dispersal airfields, and seadromes and provide a capability for storage of conventional and nuclear weapons. The islands occupy important positions with regard to surveillance and defense of major

to McNamara, June 1; *ibid.*) The Japanese request anticipated a discussion of that question at the second Subcommittee Meeting, scheduled for August 22 and 23 in Tokyo. Documents pertaining to that meeting, including a transcript of the discussions among the participants, are in the National Archives and Records Administration, RG 59, Central Files 1967–69, POL 23 JAPAN–US and DEF 1 JAPAN–US.

sea lanes. Their availability for support of air and naval operations is a continuing requirement. (For detailed discussion, see Appendices A and B hereto.)³

c. *Planned and Potential Utilization.* In the 1969–1970 time frame, the US Navy plans to utilize Chichi Jima to construct northeastward-looking underwater surveillance station to monitor Soviet/Chinese submarine activities.

(1) The islands contain attractive sites for additional military functions such as missile sites, communication facilities, and SIGINT sites, as well as air and naval facilities which can be expanded without consultation with Japan in the event that requirements so dictate.

(2) The fact that these islands provide backup bases for our forward line of defense gains added significance as the era approaches (1970) when US-Japanese defense arrangements become subject to alteration with a one-year notification. Even partial loss of forward bases in Japan and Okinawa could necessitate reliance on bases in Marcus Island, the Marianas, and the Bonin–Volcano chain in support of the US forward defense posture. Moreover, base dispersal and the requirement for military options in the Pacific are becoming more significant as China develops a missile capability. The strategic value of US options, rather than current level of activity, is the key to the issue.

d. *Impact of Repatriation and Reversion*

(1) In effect, permitting return of residents to the islands and island reversion pose similar problems. In either situation, an influx of former residents would seriously impede the freedom of the US military in effective exploitation of the islands in the event of major military operations. Basically, this was the reason underlying the original evacuation by the Japanese military during World War II. The intervening years have not altered the situation. If the former islanders are permitted to reacquire the limited real estate, the United States would lose the land resources necessary to build airfields, depots, and other military facilities. Political and civil problems would preclude the United States from regaining these resources.

(2) The Foreign Minister of Japan recently has indicated that Japan desires to pursue the Bonin Islands question, first in terms of repatriation and later reversion. In this regard, repatriation could not occur without an extensive capital improvement program and substantial expansion of public services.

3. (S) In view of the foregoing, the Joint Chiefs of Staff consider the Bonin–Volcano–Marcus Islands to be of considerable strategic value

³ Attached but not printed.

to US security and that exclusive US control should be continued. They recommended that:

a. The United States retain its present position, which is essentially to fend off repatriation and reestablishment of commercial ties between Japan and the Bonin–Volcano–Marcus Islands.

b. The current level of military activity in the islands not be used as the only basis for assessing their value. The instability of Asian security does not permit at this time restoration of Japanese administration of these islands.

c. No further commitment for repatriation or reversion of the Bonin, Volcano, and Marcus Islands be made until such time as the Trust Territory of the Pacific Islands is brought under full US sovereignty.

d. As part of its strategic posture in the Asian-Pacific area, the United States preserve its control of the Bonin, Volcano, and Marcus Islands under present arrangements or other suitable arrangements such as outright purchase or long-term lease.

For the Joint Chiefs of Staff:

Earle G. Wheeler

Chairman

Joint Chiefs of Staff

87. Memorandum of Conversation¹

Washington, July 10, 1967.

SUBJECT

Okinawa and the Bonin Islands

PARTICIPANTS

Takeso Shimoda, Ambassador of Japan

William P. Bundy, Assistant Secretary for East Asian and Pacific Affairs

Samuel D. Berger, Deputy Assistant Secretary for East Asian and Pacific Affairs

Richard W. Petree, Acting Country Director for Japan

1. Ambassador Shimoda said he was under no specific instructions from his Government, but he wished to sound out the views of

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Exdis; Need to Know. Drafted by Petree.

the U.S. Government concerning Okinawa, the Bonin Islands, the Security Treaty and other matters. He had discussed these subjects with the Prime Minister and Foreign Minister before leaving Tokyo. Both are very concerned about Okinawa and they probably will wish to take this subject up during their respective visits to the U.S. this fall. Okinawa was raised during the meeting between Vice President Humphrey and Prime Minister Sato in Seoul last month,² and they both expected that it would come up again this fall. The Ambassador said, according to their information, the Vice President told Sato that the views of both governments now are much closer than before. This remark encouraged Sato very much.

2. The Ambassador said Okinawa and the Bonin Islands have been discussed many times between the two sides at various levels, but he wished today to describe the fundamental view of the Japanese Government. From the Japanese point of view, one of the first aspects of the Okinawa problem is the fact that Okinawa is the only Japanese territory where land fighting took place during World War II. The continuation of U.S. control in the islands has meant that they were also the only part of Japanese territory to continue under military control after the Peace Treaty. The suggestion in Article III of the Peace Treaty that the Ryukyus might in due course be turned over to UN trusteeship has never been carried out, and most Okinawa people think of the present situation as a prolongation of military occupation. The Ambassador recalled that both Secretary Dulles and General MacArthur had been quoted as saying that history shows that a military occupation never succeeds over a long period of time. The U.S. administration of the Ryukyus has now gone on twenty years. While U.S. administration has been wise and extremely generous, and the docile nature of the Okinawan people has permitted a large degree of success in this military occupation, the present trend of developments appears to be leading toward the creation of new problems which might damage fundamental U.S.-Japan relations.

3. The Ambassador said the Okinawa policy of the U.S. was created by Secretary Dulles in the interests of stabilizing the security and peace of the Far East. If the continuation of this policy leads to new problems, however, it would be contrary to the achievement of the ba-

² Humphrey visited Seoul to attend the inauguration of President Park Chung Hee. During his meeting with Sato on July 1 at the residence of the Japanese Ambassador to Korea, Humphrey indicated that Okinawa and the Bonins would be discussed when Sato visited Washington and noted his belief that "the U.S. and Japan could move closer to any understanding as long as both understand the requirements of security in the area." (Telegram 24 from Seoul, July 2; *ibid.*, POL 7 US/HUMPHREY)

sis goal Secretary Dulles sought. Therefore, the two governments must handle the Ryukyus problem skillfully to prevent emergence of such new problems. The situation is bound to deteriorate if the two sides do nothing about it. It is for this reason that the Japanese Government desires to take up this problem during the talks that are in prospect this fall. Ambassador Shimoda said he hoped the U.S. side would be fully prepared to discuss this matter. He assumed that U.S. readiness to discuss the problem this fall included the readiness of all elements in the U.S. Government, up to the White House and including the Defense Department.

4. Mr. Bundy referred to Ambassador Shimoda's recent statements on the subject of Okinawa and asked whether there was any particular direction the thoughts of the GOJ were taking. Ambassador Shimoda said one aspect of the Okinawa problem is military and another political. The Foreign Office is not expert on the military aspects of the problem, but since they are managing Japanese policy they need to have a valid military evaluation of Okinawa. They appreciated very much the frank talks held in Tokyo in May with the attendance of Ambassador Johnson, Assistant Secretary McNaughton, Mr. Berger, Mr. Sneider, and others.³ They felt those talks were very useful, but even after hearing the U.S. explanation of the military importance of Okinawa, the Japanese came out with the feeling that the military situation is not likely to change very much. Okinawa will continue to be very important militarily, especially while the Vietnam conflict continues. While the military importance may possibly increase, depending upon developments, it will never decrease. There is no misunderstanding about the military importance of Okinawa in the Japanese Government. Of course, many contradictory things are said on occasion in Diet deliberations and in the press, but Prime Minister Sato and Foreign Minister Miki clearly have no misconceptions about this aspect of the Okinawa problem.

5. Ambassador Shimoda said he felt it was reasonable to expect that if Japan is to ask something from the U.S. the Japanese side must formulate a concrete proposal. Unfortunately, the Japanese Government has not reached any firm conclusions, so it is somewhat awkward for the Japanese Government to order Shimoda and others to continue

³ Reference is to the SCC Subcommittee meeting on May 25 and 26 in Tokyo. The first day of the meeting was devoted to a discussion of ABMs and Okinawa, and the second day focused on the Bonins. Memoranda of the discussions are attachments to airgram A-1738 from Tokyo, June 27; National Archives and Records Administration, RG 59, Central Files 1967-69, POL 1 JAPAN-US.

their efforts to sound out the U.S. position.⁴ The Ambassador said that before he left Tokyo he attempted to raise a number of questions to clarify the thinking on the Japanese side. He feels that Japanese and Okinawan leaders have gradually been brought around to facing the problem more squarely.

6. The Ambassador outlined two main schools of thought about the Okinawa solution:

(1) the first concept is to permit the U.S. to retain its military bases, if possible concentrating them within narrower geographic limits. The rest of the territory of the Ryukyus would be returned to Japan. The bases would become a kind of concession, somewhat like the Japanese base at Port Arthur in the old days. Within the bases the U.S. would hold all powers of control. This concept is espoused by such conservative leaders as Diet member Tokonami.

(2) the second school of thought objects to the creation of a new system. This school would admit to free use by the U.S. of its military bases in the islands, including the introduction of nuclear weapons, by creating an exception to the Security Treaty requirement for prior consultation under certain circumstances. All administrative rights over the islands would be returned to Japan.

Ambassador Shimoda said he supported the latter school of thought and believes that Prime Minister Sato does, too, although the Prime Minister cannot openly express an opinion. So far, the Prime Minister has been taking a wait-and-see attitude. He created the Ohama Committee to study the problem and report to him.

7. Ambassador Shimoda said he assumed Mr. Bundy could not express a view on these two schools of thought at this time. Mr. Bundy said he could not express a preference at this time. Either choice requires serious study, which the U.S. side is in fact presently conducting. He asked the Ambassador if it was correct that the GOJ is thinking of a fundamental solution to this problem and not a way of altering the present rights in the islands. He referred by way of example to the concept of partial reversion.

8. Ambassador Shimoda said partial reversion cannot work. He believed it impossible to divide authority over the islands. He said he

⁴ On July 14, however, the Embassy forwarded the text of an aide-mémoire on the Ryukyus and the Bonins received that day from the Japanese Foreign Office. The content of the aide-mémoire closely paralleled the substance of Shimoda's presentation to Bundy; it reiterated Japan's desire for a return of both island groups, while mindful of their military importance to maintaining the security of the region, and it mentioned that reversion sentiments among the Japanese population, increasingly exploited by the opposition political parties, could intensify to the detriment of U.S.-Japan relations. It also proposed further study of the reversion issues, including the military aspects, and the continuation of administrative reform in the Ryukyus. As to the Bonins, the aide-mémoire proposed that, given their limited military significance, an agreement be reached to return those islands to Japan. (Telegram 266 from Tokyo, July 14; *ibid.*, POL 19 RYU IS)

was even opposed to Japan picking up all executive authority or all judicial authority. Such partial reversion will not work.

9. Mr. Berger asked if the Japanese side intended to make specific proposals during the Miki and Sato visits this fall. The Ambassador said that depended to some extent on the soundings which he was instructed to carry out. He could not say whether the Japanese side would come forward with specific proposals. He recalled a recent statement by General Unger (HICOMRY) that he found the second school of thought more concrete and the first one somewhat vague. General Unger firmly stated, however, that at this point he could say nothing about a preference between the two concepts.

10. Mr. Bundy asked if it was possible that the GOJ might wish to discuss separation of the Bonins from the Okinawa problem and earlier action on the Bonins matter. Does the GOJ consider the two problems separate?

11. The Ambassador said he wished to comment on that later. Referring again to the readiness of the U.S. to discuss the Okinawa problem, he asked whether the U.S. side would be prepared to give a firm view in September, when Foreign Minister Miki plans to visit Washington. Mr. Bundy said we would have to discuss this matter on the U.S. side and provide a considered response as to which of the alternative concepts appeared to us to be more realistic. We might be able to indicate a clear preference between those two choices, but that would still not mean a final decision that the preferred choice would be wise from the U.S. point of view.

12. Mr. Berger asked whether either of the problems outlined by the Ambassador would mean 100 per cent freedom of U.S. use of the bases in the Ryukyus. The Ambassador said that was correct. Under the first concept Japan would have only residual sovereignty over the base enclaves. Under the second idea the whole territory of the Ryukyu Islands would be under full sovereign Japanese control, but the consultation clause of the Security Treaty affecting the freedom of base utilization would by agreement not be applied in the Ryukyus.

13. Mr. Berger asked what the Japanese timetable was. The Ambassador said Mr. Miki intended to take this matter up during his visit in September preparing the ground for Prime Minister Sato's discussions in Washington in November. He assured the U.S. that no responsible Japanese leader would ask for return of the military bases. He said he did not wish to disturb the U.S. by a premature raising of this problem.

14. Mr. Berger asked whether the Japanese side envisaged a change in status of the Ryukyus while the Vietnam war was going on. Ambassador Shimoda said he felt the change must come even before the end of the Vietnam conflict.

15. Mr. Bundy asked whether there was a relationship in Japanese thinking between the Okinawa problem and the 1970 problem in Japan. Ambassador Shimoda said there was no logical connection in the minds of Japanese leaders. Opposition parties, of course, hope to connect the two. Mr. Bundy asked whether the GOJ had in mind the Okinawa settlement coming into effect before 1970. The Ambassador said they did feel it would be better if it could be accomplished before 1970. Such a basic change in status, however, cannot be worked out overnight. The process might take days, months or even years, but the agreement at least should be concluded before 1970. He emphasized the fact that his views were not instructed Japanese Government views, since the Government had as yet reached no conclusions.

16. Mr. Bundy reverted again to the question whether the Bonins problem was separate from Okinawa. Ambassador Shimoda felt it was a separate problem. The Bonins constitute a new question for the Japanese public, for one reason because it has been handled exclusively by conservative leaders. Diet Member Fukuda, former Director of the Japan Defense Agency and member of the Foreign Office, has handled the matter quietly in his talks in Tokyo and Washington. He has not sought publicity, so the problem has remained relatively quiet. Since the new Socialist Governor of Tokyo, Minobe, has come into office, however, he has approached the Prime Minister for some action on the Bonins. His interest arises from the fact that the Bonin Islands fall within the Tokyo Metropolitan Government's jurisdiction. Because of these recent moves, the Bonins have drawn public attention in the Diet and in the press. There is a possibility that this could become a hot issue. If it does, it might be even more dangerous than Okinawa because of the relationship to Tokyo where most of the former residents of the Bonins live. The Ambassador said he felt for these reasons the two sides must face this question squarely.

17. The Ambassador said Fukuda had been of the view that return of the former inhabitants would help to relax the tension over this problem. Fukuda's idea has not received widespread support. The Ambassador said he believed that if the former inhabitants were repatriated, it would create a new problem somewhat like Okinawa. It would not be wise to permit repatriation.⁵ He feels it would be far better to ask immediately for reversion on the same pattern as Okinawa. The Japanese Government recognizes the existence of military facilities in the Bonins, and the need to preserve the military utility of those bases.

⁵ The aide-mémoire also recognized that allowing former residents to return could create additional problems and that it was more important to focus on reversion rather than population returns. (Ibid.)

If settlement of the Bonins question appears easier and quicker of accomplishment than the Ryukyus, Miki and Sato would wish to start with movement on the Bonins in their talks with the U.S.

18. Mr. Berger recalled from his talks in Tokyo that there had been a number of different points of view expressed even within the Foreign Office concerning the approach to the Bonins problem. The Ambassador said a majority in the Foreign Office now strongly favor reversion of the Bonins. Mr. Berger recalled some concern that an earlier reversion of the Bonins might create problems in Okinawa. The Ambassador asked if this was not primarily a problem for the U.S. side. Mr. Berger also recalled the fear of some Foreign Office people that if the Bonins reverted to Japanese control earlier, Okinawans might feel as though they had been sacrificed in the deal between the two Governments. Ambassador Shimoda said he agreed that such a danger existed.

19. Mr. Berger asked whether the Japanese side would have specific proposals formulated for presentation during the talks in Washington this fall. Ambassador Shimoda said he did not know whether a position would be formulated by that time. He intends to try to push the Foreign Office, and the Director of the North American Affairs Bureau, Togo, also is pushing for the formulation of a Japanese position. Before the Ambassador's departure from Tokyo, Togo was aiming at a draft blueprint for presentation to Foreign Minister Miki by the end of June. Sometime in July, assuming Miki approved the draft, they were aiming for a meeting with the Prime Minister. Based on these discussions, the blueprint would then be redrafted, and if final clearances were obtained within the Japanese Government, Foreign Minister Miki would discuss it in detail during his visit in Washington in September. Ambassador Shimoda said he hoped Miki would be in a position to convey some clear ideas in September, otherwise there would only be another exchange of vague views. He asked whether it would be disturbing to the U.S. if Miki brought such a blueprint with him in September.

20. Mr. Bundy said it would not be disturbing to the U.S. side, though it would of course provoke a good deal of thought. The problem is already under active consideration on the U.S. side, however.

88. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, July 15, 1967, 0505Z.

271. Ref: Tokyo 266.²

1. I saw FonMin Miki this morning in room at new Otani Hotel for more than one hour. (Ushiba, Togo and Edamura were also present.) (It was agreed that if, in spite of elaborate precautions that were taken to preserve secrecy of our meeting, there nevertheless was a press leak, Miki would say that he had briefed me on ASPAC.) During meeting Miki made oral presentation much along lines aide-mémoire, and in turn I pressed him hard to effect that heart of problem was necessity of GOJ making decisions on what kind of U.S. military presence it desired in area and facing up to increased responsibility GOJ would have to assume if Okinawa administration returned and effective U.S. military presence maintained.

2. While not arguing this point, Miki kept returning to desire to determine what were “minimum” military requirements. In response to which I pointed out it was not question of what were minimum U.S. requirements—in one sense we could do almost anything, including getting out of Okinawa and East Asia entirely—it was, as expressed in aide-mémoire, question of what was common interest of both countries. To determine this it was necessary for GOJ to decide what its interests were. GOJ generally knew what we were doing and could do out of Okinawa under present circumstances and could itself see limitation that would be placed on U.S. (as well as increased GOJ involvement and responsibility) if present security treaty and SOFA were applied to Okinawa. While GOJ now subject to attack from opposition with respect to Okinawa, would GOJ be able any better to handle opposition attacks if arrangements in Okinawa were such as to give the flexibility to maintain maximum military capabilities and, accordingly, maximum deterrent value to Okinawa? I pointed out, for example, that question is not whether Polaris replaces Okinawa but rather our ability to maintain a graduated and thus more credible capability for response. Miki stressed that Japan valued and wanted U.S. military presence in East Asia and specifically desired that there be U.S. military base on Okinawa and only problem was how to reconcile Japanese desire for reversion with military requirements. To do this GOJ needed a good understanding of what those requirements really were. I pointed

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US. Secret; Exdis. Repeated to CINCPAC for POLAD and HICOMRY.

² See footnote 5, Document 87.

out that ever since my arrival here I had been seeking to establish a forum for just such a discussion with GOJ and last security consultative committee and sub-committee meetings were only first steps in this direction. I welcomed this morning's discussion with Miki and looked forward to further such talks.

3. In response to my probing what kind of timetable GOJ had in mind, Miki was very vague only stating that, as opposition would not be able to make much of a 1970 issue on security treaty question, they can be expected increasingly focus on Okinawa. On relationship of timing to Vietnam war, he replied that they could see problem of reaching final solution prior to end of Vietnam war, but felt that in meanwhile we should be moving forward with serious joint U.S.-Japan study of resolution of Okinawa problem.

4. On Bonins, I confined myself to saying that I agreed consideration should not be given to return of population prior to solution of question of administration. (After Miki had left, Togo indicated that PriMin Sato very concerned re obtaining prompt solution to Bonins question. GOJ estimate was that reversion of Bonins was significant factor re Okinawa but would not exacerbate Okinawa problem.)

5. There was no detailed discussion of interim measure proposed by GOJ with respect to Okinawa. I said that I could not see that we had objection to any of the principles set forth, but problem was with specifics, many of which also involved GRI. In discussion with Ushiba and Togo following Miki's departure, it was left that FonOff would follow up with more precise paper containing specifics but that in meanwhile it would be helpful to FonOff in dealing with other GOJ departments if they could say that there was general USG agreement to principles. One of things GOJ had in mind was strengthening JGLO personnel and functions on Okinawa with widened terms of reference that would permit it deal on more matters directly with USCAR and GRI. It was left that I would seek USG reaction to general principles set forth in aide-mémoire and that specifics would be subject further discussion at staff level between FonOff and Embassy.

6. I pointed out my reactions were, of course, only preliminary and not under instructions. Matter was left that, after receiving Washington reactions, we would meet again, probably around end of August, prior to September cabinet-level meeting in Washington, and in meantime another security sub-committee meeting probably would be held.

7. Detailed memcon follows.³

Johnson

³ The memorandum of conversation, July 15, is in the National Archives and Records Administration, RG 59, Central Files 1967-69, POL 19 RYU IS.

89. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara¹

JCSM-406-67

Washington, July 20, 1967.

SUBJECT

Future Use of Ryukyuan Bases (U)

1. (S) The Joint Chiefs of Staff are becoming increasingly concerned about possible future changes in the character of US control in the Ryukyus which could impact adversely on national security.

2. (S) The Joint Chiefs of Staff believe that:

a. Reversion of the Ryukyus to the Japanese Government would weaken the US strategic posture and our military position in the Far East.

b. Because of the growing aggressiveness of Communist China and unsettled conditions in Southeast Asia, it would be premature to draw up a timetable for returning the Ryukyus to Japanese control.

c. In view of the complete interdependence of the military and civil communities, unilateral US control of Ryukyuan administration is of prime importance for as long as we maintain major bases there. Under Japanese control political limitations could be imposed upon the use of our Okinawa-based forces, equipment, matériel, and other resources.

d. Japanese reluctance to share proportionately in Free World defense in the Pacific strengthens the case for continued US jurisdiction over Okinawa.

3. (S) In view of increasing pressures by the Japanese Government for reversion of the Ryukyus, possible alternatives (Appendix hereto)² to existing unrestricted US use of Ryukyuan bases have been examined. It is concluded that:

a. For reasons of military security, it is important that the United States retain its present administrative control over the Ryukyus. Erosion of such control is not supportable from a military point of view since it would impact adversely on the US posture in the Pacific.

¹ Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4919, 680.1 Ryukyu Islands. Top Secret. A notation on the memorandum indicates that McNamara saw it.

² Attached but not printed.

b. Unrestricted access and freedom of action in the use of our military bases in the Ryukyus is essential if US security interests in the Far East are to be protected through the foreseeable future.

c. Should political developments require a lessening of the current level of administrative control, the following factors should be considered in the formulation of future US actions:

(1) The least disruptive alternative of those examined would be an orderly transfer of civil administration to Japan in return for a special base rights agreement which provides for the military requirements essentially as set forth in Annex B. However, such an arrangement would be vulnerable to future changes in policy by subsequent Japanese governments.

(2) Transfer of administrative authority to Japan under the context of the Treaty of Mutual Cooperation and Security of 1960 with Japan would seriously reduce US military capabilities in the Far East because of the resulting highly restrictive conditions governing our operations. US interests would best be served by separate negotiation on the future of the Ryukyuan bases.

(3) The establishment of an enclave-type base structure in Okinawa, or one of the other Ryukyu Islands, does not appear practicable and should not be considered as an acceptable alternative unless it is the only method of retaining unrestricted control and freedom of action over our military bases in the Ryukyus. The United States has over the years provided common support utilities (water, electricity, telecommunications, transportation nets, POL pipelines, airports, harbor installations, etc.) for its bases and the civil community. The establishment of independent base support facilities would be made necessary by an enclave policy. The relocation effort and legal actions associated with development of separate utilities and facilities would be extremely expensive and complex. In any instance, further feasibility and cost studies by the military services would be required and the cost implications fully understood by the Japanese before a decision is made. Full understanding of these problems as well as recognition of the fact that the United States would expect exclusive enclave rights and reimbursement from the Japanese for relocation costs could persuade Japan to give preference to other alternatives.

(4) Relocation of US bases elsewhere in the western Pacific within the mid-term period would seriously undermine US military capabilities because of such factors as host government political restrictions and the greatly increased operating ranges involved. More significantly, it would result in the abandonment of approximately \$1 billion in assets, with negligible salvage value, and require in excess of \$600 million for the construction of alternate facilities. However, examination of alternate base sites in the western Pacific should continue in the

event of the contingency occurring that prescribes relocation elsewhere of some or all of the US Ryukyuan facilities.

d. In recent years, the Government of Japan has endeavored to increase its knowledge and understanding of security questions, including the use of US bases in the Ryukyus. This maturing attitude on the part of Japan's leaders, together with the problems involved in establishing a true enclave, should make it possible for the United States to press for continued exclusive control of the Ryukyus as a legitimate political cost of US defense commitments to Japan. The US Government should continue to emphasize to the Government of Japan that Japan's security is in large part dependent on the maintenance of a substantial US military posture in the Ryukyus. The Government of Japan, for its part, should continue its efforts to bridge diverse attitudes among the Japanese people concerning basic security issues and should seek to create popular support for the thesis that Japan's security, together with that of the rest of the free nations in east Asia, is largely dependent on credible US military presence in the Pacific. Such presence, in turn, is dependent on continued unrestricted US control of its bases and operations in the Ryukyus.

e. While unrestricted US control over the Ryukyus is critical for the foreseeable future, the political pressures we now face and may anticipate in coming years point to the urgency of having the Trust Territory of the Pacific Islands under US sovereignty. Also important is the requirement to retain US control over and freedom of action in the Bonin-Volcano Islands.

4. (U) The Joint Chiefs of Staff recommend that the conclusions above, as amplified in the Appendix, be approved as the Department of Defense policy position for guidance by US officials in future discussions and actions concerning the Ryukyus.

For the Joint Chiefs of Staff:

Earle G. Wheeler

Chairman

Joint Chiefs of Staff

90. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, August 1, 1967, 1010Z.

614. Pass Army/DUSA and OASD/ISA. Ref: HC-LN 720718.²

1. I appreciate General Unger's thoughtful comments on my discussions here thus far with the GOJ on Okinawa, and in turn want to comment on how I view the situation from here. As I read reftel, I interpret it in effect as saying that if prospect of reversion, or at least US-Japan agreement on reversion by 1970 is not made known [garble—before] 1968 legislature elections,³ this may result in control of GRI by Leftist political parties in Okinawa; therefore we should now use Japanese desire to obtain return of the Bonins and for a greater role in Ryukyuan affairs to obtain a satisfactory commitment from the GOJ on the future of the bases in the Ryukyus in order to permit public statement on reversion prior to 1968 elections.

2. If I am correctly interpreting the message, the basic difficulty with this line is that it is not now politically possible for GOJ to give us the commitment which not only we want but which, I believe, many in GOJ, including FonOff, want to give us. The facts of life in Japan are such that no politician at this stage can condone violation of what has come to be considered as Japanese "nuclear policy," nor could any of them support other US freedoms in the use of the Okinawa bases. They are, nevertheless, encouraging a public education process which in time GOJ hopes will bring about a political climate in Japan which would enable GOJ to agree to something coming much closer to the desires of both of us. Much progress is already evident. The "Shimoda formula" has not been rejected and nucs can now be openly discussed—both unthinkable a few years ago.

3. I feel that responsible Japanese Govt. leaders are giving increasing indications of seeing Okinawa as a common GOJ-US problem and that they are increasingly concerned at not permitting political pressures and public sentiment in either Japan or Okinawa to get so far out of hand as to limit their freedom of action. Accordingly, I do not read the aide-mémoire as a "hidden warning that the US will have increasing trouble maintaining civil administration and unimpeded operation of bases, unless it agrees to 'consultations' to find a solution to the reversion problem," but rather, an assessment of the situation

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, POL 19 RYU IS. Secret; Exdis. Repeated to HICOMRY and CINCPAC.

² Not found.

³ Elections for the Ryukyu legislature were scheduled for November 1968.

closely corresponding to that of HICOM contained in para 4 reftel and a desire to do all that is feasible in cooperation with us to prevent such a situation arising.

4. In order to resist more extreme pressures, the GOJ must show some progress which the Japanese public can interpret as progress toward reversion. I do not interpret the areas which the GOJ is exploring for closer relations with Okinawa as an effort at whittling away of our basic authority but as what the GOJ feels is a minimum necessary for the GOJ to maintain political credibility.

5. I also do not have any impression that the GOJ does not intend to continue to cooperate as fully as it can with us in maintaining our civil administration and unimpeded operation of the bases. Its assets to influence the situation are, however, limited in present circumstances and they see the desirability of increasing their involvement not only for domestic political reasons but also to facilitate our role. They find it to their advantage also to have Okinawa remain quiet.

6. As it does not seem to me that the consensus process will permit us to reach a "solution" to the Okinawa problem in time to influence the elections 1968 (para 4 reftel), it would seem to me desirable that we give sympathetic consideration to GOJ proposals for such further participation in Okinawan affairs as it feels will be helpful in meeting our common problems, rather than regarding such proposals as bargaining levers which we can use to obtain what the GOJ cannot now give. I do not suggest that we permit GOJ involvement which derogates from US administrative authority (I have been categorically clear to GOJ on this), but there are many areas which might be helpful and in line with our policy guidelines.

7. As for the Bonins, I do not see the prospects or desirability of trying to use them as a bargaining counter in reaching an Okinawan solution. It is not that kind of a situation and I do not feel it would be to our advantage if we tried to make it such. The Japanese are well aware of the marginal importance of the Bonins in our defense structure and the sooner we are able to agree to reversion the more we establish a credible rationale for our position on the Okinawan bases. While there may be some whetting of appetites for reversion in Okinawa, if the Bonins are returned, I am inclined to believe it will strengthen the hands of those in both Japan and Okinawa advocating faith and confidence in US by demonstrating that we mean what we have said with respect to returning these areas when the security situation permits. It is, of course, not a question of removing our security installations on the Bonins, but rather bringing them within the framework of our many security installations within Japan.

Johnson

91. Action Memorandum From the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy) to Secretary of State Rusk¹

Washington, August 7, 1967.

SUBJECT

Ryukyus and Bonins

1. We are confronted by a considered Japanese request to agree to negotiations for the return of administration of the Ryukyus and Bonins to Japan by 1970.

2. Foreign Minister Miki and Ambassador Shimoda in separate conversations (Tab B)² have proposed discussion of this problem during the Miki visit in September, looking to an agreement between the President and Sato in November to begin negotiations on the terms of reversion, which would need to include special base rights to satisfy our military requirements.

3. Ambassador Johnson reports that Miki is hoping for our initial reaction before Johnson returns to Washington for the Cabinet meetings. Ambassador Johnson plans to leave Tokyo about August 28. In a letter to us (Tab C),³ he envisaged a scenario presenting the Japanese with a "bill of particulars" to force the Japanese to make the necessary decisions. This would be followed by your discussions with Miki, and, if all goes smoothly, an announcement during Sato's meeting with the President of agreement to begin negotiations on reversion.

4. Our recommendation is that we inform the Japanese that we are prepared to negotiate on reversion provided they give us advance commitments to assure broad freedom of action for the use of U.S. bases, particularly to support the Vietnam War, and to enlarge their political and economic role in Asia. We have concluded that our prospects for reaching an agreement with Japan on this basis will never be better than at the present time. We also anticipate that actual return of the islands

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, POL 19 RYU IS. Secret; Nodis. Drafted by Sneider and cleared by Macomber. A handwritten note on the memorandum reads: "Sir: EA has now offered this new second page (below) reflecting Sec. McNamara's views."

² At Tab B are telegram 271 from Tokyo, July 15, summarizing the July 15 conversation between Miki and U. Alexis Johnson (Document 88), and telegram 5236 to Tokyo, July 12, summarizing the July 10 discussion among Shimoda, Bundy, and Berger, attached but not printed.

³ Attached at Tab C but not printed is a July 12 letter to Sneider.

to Japanese sovereignty will not take place until 1969 or 1970 since lengthy negotiations on the detailed arrangements will be required.

5. ISA and EA have drafted a Memorandum to the President from you and Secretary McNamara⁴ recommending this course of action. We have discussed the position recommended in the memorandum with Messrs. Rostow and Owen, and they agree with its basic thrust.

6. Mr. Macomber⁵ has serious reservations about acting now on the Ryukyus and Bonins, given the opposition to the Panama Canal Treaty. He would prefer to wait until the Panama Treaty debates are completed. Although return of these islands can be accomplished by executive agreement, he also suggests a joint resolution by Congress or some other form of associating Congress with the actions recommended. Finally, he recommends that when and if you conclude it is essential to push forward with the return of these territories to Japan, that our recommendation to the President be couched in terms of seeking his approval of our consulting with appropriate Members of the Congress, prior to making a final recommendation to proceed.

7. The draft memorandum is being forwarded by ISA to Secretary McNamara. I understand that he is inclined to move ahead with reversion if we can get the right price. He will not act formally, until he receives the views of the JCS. The JCS position heretofore has been to hold onto the Ryukyus and Bonins as long as possible until political pressures force us to return administration of these islands to Japan.

Recommendation:

That you meet briefly with Messrs. Bundy, Macomber, and Sneider to renew this issue and provide guidance for final discussions with DOD.⁶

⁴ At this point a handwritten notation that reads: "(draft at Tab A; Sec. McNamara has not yet cleared—see para. 7 below)" was inserted. The draft memorandum is printed below.

⁵ William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations, March 1967–October 1969.

⁶ Rusk approved the recommendation and set the meeting for August 14 at 11:30 a.m. The meeting was attended by Bundy, Berger, Read, Sneider, and John P. White, Assistant Secretary of State for Congressional Relations. It ended at 12:18 p.m. (Johnson Library, Rusk Appointment Books, 1967) No other record of the meeting has been found.

Tab A**Draft Action Memorandum for President Johnson⁷****SUBJECT**

Reversion to Japan of the Ryukyus, Bonins and other Western Pacific Islands⁸

We are confronted by a clear cut Japanese request to resolve the Ryukyus and Bonins question by 1970. They wish to commence discussions now looking to an early return of the Bonins and other Western Pacific Islands to Japanese civil administration and a subsequent return of the Ryukyus to Japanese civil administration under special arrangements maintaining our military bases and satisfying our military requirements. The Japanese are vague on the specific arrangements which would be agreeable to them.

Before going ahead with further discussions with the Japanese, we need your decisions on whether to commence negotiations with Japan on the reversion of both groups of islands to Japanese civil control, and on what prior commitments are required from Japan to make certain that reversion does not compromise our essential security interests and our capability to conduct the Vietnam War.

I. Background

Okinawa, the principal island of the Ryukyus, is the most important U.S. military base in the Western Pacific. Its value is enhanced by the absence of any restrictions on our freedom of action. The availability of the Okinawa base, close to potential theaters of operation, adds substantially to overall U.S. capability and flexibility. The Bonins and other Western Pacific Islands are of little or no importance militarily but have been retained principally for contingency purposes.

At the present time, we exercise all civil and military authority on the islands.

Japanese sovereignty over the Ryukyus and the other islands has been recognized. The Japanese Government has cooperated up to now in keeping reversionist sentiment in both Japan and the Ryukyus in check, but it is under ever-increasing political and public pressure in both countries to resolve this issue. Reversion is now the only major problem between Japan and the United States.

⁷ President Johnson apparently received the final version of this memorandum; it has not been found.

⁸ In addition to the Ryukyus, Japan has residual sovereignty over the following islands covered in Article 3 of the Peace Treaty: the Bonin Islands, Rosario Island, the Volcano Islands (including Iwo Jima), Parece Vela, Marcus Island, and the Daito Islands. [Footnote in the source text.]

Foreign Minister Miki has presented Ambassador Johnson with an Aide Mémoire proposing three steps:

1. Examination of a formula for accommodation of Ryukyu reversion and "the military roles which Okinawa should play";
2. Agreement on interim measures for improvement of the administration of the Ryukyus; and
3. Agreement on early return of the Bonins and other Western Pacific Islands to Japan.

He has requested preliminary comments from Ambassador Johnson prior to the Ambassador's return to the United States at the end of August.

Foreign Minister Miki proposes discussions of the reversion issue during his visit to Washington in September. This would be preliminary to your meeting with Prime Minister Sato in November, when the Japanese would apparently like a joint announcement agreeing to start negotiations for the return of administration of these islands. They have informed us that they want us to retain our military bases in the Ryukyus and other islands, and that they are prepared in effect to negotiate special arrangements which would enable us to meet our military requirements and responsibilities in the area.

They would like the negotiations completed so as to permit the return by 1970. The date is significant. In that year the opposition will have its first opportunity since 1960 to mount a campaign for the renunciation of the Security Treaty and a repudiation of the Japanese-American alliance. The opposition intends to make the U.S. occupation of the Ryukyus the focal point of their attack.

*II. The Alternatives*⁹

We have examined two major courses of action:

1. Reject the Japanese request, on the grounds that we do not believe it would be useful to begin discussions of reversion at least until after the Vietnam war is over, or, more indefinitely, that we do not believe that reversion will be possible until there is a basic change in the security situation in the Far East.
2. Inform the Japanese Government that we would be prepared to enter into negotiations for return of the Ryukyus, Bonins and other Article 3 islands, provided we obtain in advance commitments by Japan:
 - a. To agree to new special arrangements granting us broad freedom of action for conventional military and other activities in the

⁹ For McNamara's recommendations see Document 92.

Ryukyus and freedom to mount military combat operations without consultation in defense of Southeast Asia and Taiwan;

b. To enlarge its regional political and economic role in Asia and provide over the next several years a substantially greater economic contribution to the development of Asian countries;

c. To agree to our retention of the whole island of Iwo Jima as a military base.

III. Recommendations¹⁰

1. We recommend that you authorize the second course of action.

2. We also recommend:

a. That we be prepared to withdraw our nuclear weapons from the Ryukyus, if during the discussions with the Japanese they insist on this point, and if they agree to make the other commitments set forth in our first recommendation.

b. That, if you do not agree to enter into negotiations on the Ryukyus, you authorize negotiations for return of the Bonins and other Western Pacific Islands, provided that Japan will agree to our retention of the whole island of Iwo Jima as a military base.

c. That, if you approve any of the foregoing recommendations, you authorize us to consult with key Congressional leaders prior to entering into future discussions with the Japanese.

IV. The Alternatives Examined

Two major arguments are advanced for rejecting the Japanese request:

First, there is no need to change the status quo since our position there is still politically tenable.

Second, the status quo is essential on military grounds.

These arguments and the advantages of early negotiations are discussed below. We conclude that an effort to retain the current status of the Ryukyus involves unacceptable and unnecessary risks. We also conclude that it is timely and advantageous to enter into negotiations on return of the Ryukyus and other islands provided the Japanese satisfy our essential requirements, and in no way impair our freedom of action to support the Vietnam War.

A. The Political Equation

U.S. administration of the Ryukyus and other islands has always involved political risks. Until the present, these risks have been acceptable because reversionist pressures have been tolerable, and partially muted by effective U.S. administration and by Japanese and Ryukyuan cooperation with us. The Japanese Government has recognized up to

¹⁰ The draft gives no indication of President Johnson's decisions on these recommendations.

now that Japan's interests were best served by permitting the U.S. full control and freedom of action in the Ryukyus.

We could remain in the Ryukyus on the present basis for a time, because reversionist pressures have not yet reached the boiling point. In these circumstances, the Japanese Government would reluctantly accede to our position, rather than force a major confrontation with us. But, it cannot hold to this position for long.

Reversionist pressures are mounting in both Japan and the Ryukyus. It is no longer a demand made solely by the opposition. More and more of our conservative friends in both areas are beginning to insist on it. The conservative leaders, therefore, sense that it is timely, it is vital to their political interests, and it is essential to Japan-American relations that this issue be soon resolved. Furthermore, the Japanese Government has concluded that security attitudes in Japan will now permit an accommodation with U.S. military requirements after reversion. An opportunity still remains for quiet negotiations free from uncompromising public demands.

The longer we delay negotiations the greater the danger that an explosive situation could develop.

We already face two potentially dangerous deadlines in the next three years. In the 1968 Ryukyu elections, the slim conservative majority could be lost and a far less cooperative left-wing government could take over. In 1970, the Security Treaty debate could bring irresistible pressures for reversion. The ensuing debate on the Treaty and reversion would have considerable bearing on the outcome of the next general election which must take place by January 1971.

The Soviets are poised to exploit the reversion issue. They sense the emotional content of the Ryukyu issue in Japan, and we have reports that they plan to offer to return some of the northern islands in order to put strains on Japanese-American relations.

If we wait until events force us to change our policies in the Ryukyus, and then reluctantly concede, we may gain a few more years. But we also risk serious strains on our relations with Japan, create difficulties for friendly Japanese Governments, and could conceivably jeopardize our base position in the Ryukyus.

B. U.S. Military Requirements

1. The Current Status

We and the Japanese fully agree that retention of the Ryukyu military bases for the foreseeable future is in both our interests. The issue between us that will require resolution is how much freedom of action for the U.S. is essential in both our interests.

If the Ryukyus are returned to Japan under the terms of our current security arrangements with Japan our freedom of action would be

restricted and the military value of the Ryukyu bases be reduced. The principal restrictions imposed by the present arrangements in Japan proper are:

- a. the need to consult and obtain Japanese consent prior to conducting combat military operations from Japanese bases, except in the case of the defense of Japan or Korea;
- b. the need to consult prior to any storage of nuclear weapons.

There would be other less important restrictions as well as the inhibiting effect of losing administrative powers over the Ryukyus. It is worth noting that these restrictions have not prevented effective use of U.S. military bases in Japan for many activities also conducted in the Ryukyus, and for the support of U.S. forces in Vietnam.

2. Special Arrangements Needed

Applying the existing Treaty arrangements in Japan to the Ryukyus would not therefore be adequate to our essential military needs. New special arrangements would need to be negotiated as the price of reversion.

3. Military Combat Operations

The Japanese Government would have to agree to allow the U.S. to mount operations in defense of Southeast Asia and Taiwan without prior consultation. This is to be certain that reversion will not in any way limit our needed freedom of operations for Vietnam or other possible contingencies.

During the Vietnam War, we have not mounted combat operations directly from Okinawa except for several instances when B-52s were forced by typhoons to seek haven in the Ryukyus and subsequently launched missions to Vietnam from there. As for the future, we would not need to mount conventional combat operations directly from Okinawa unless we wished to engage in conventional bombing of the Chinese mainland, which is not likely.

We are not certain that the Japanese Government is prepared to grant us this freedom of action. But, this right to use the Ryukyu bases without consultation is important not only as a safeguard for contingencies, but as a means of associating Japan with our efforts in Vietnam, and making certain that there will be no restrictions on essential combat operations for Vietnam.

4. Nuclear Weapons

The issue of nuclear weapons on Okinawa is likely to be the major obstacle to an agreement on special arrangements. The Japanese have indicated serious concern about the acceptability in Japan of permitting nuclear weapons to remain on Okinawa after reversion. The Department of Defense has studied the question of the importance of maintaining nuclear weapons on Okinawa. The Secretary of Defense

has concluded that because the U.S. arsenal of nuclear weapons at other locations in the Pacific is sufficient for contingencies, and because we could resupply speedily weapons from the U.S. if necessary, there would be no significant degradation of our capability if we removed all of our nuclear weapons from Okinawa.

The nuclear issue has an additional aspect. There is an outside possibility that some Japanese officials and political leaders may yet be prepared to agree to nuclear storage after reversion in order to accustom the Japanese people to the presence of nuclear weapons, and thus facilitate a Japanese nuclear weapons program should they decide to undertake one. Our efforts to discourage the Japanese from going nuclear would be enhanced if we removed nuclear weapons from Okinawa prior to reversion. This would still leave us with the right to storage subject to consultation, as is now the case in Japan itself. We are therefore prepared to withdraw the nuclear weapons if the Japanese insist.

5. Other Base Arrangements

There are certain other operations which we carry on from Okinawa and not from Japan. These include the mounting of clandestine operations and the maintenance of a VOA transmitter. We believe that we can negotiate an agreement that would give us greater latitude in these matters on Okinawa than we have on the Japanese mainland. These rights would be embodied in a special base rights agreement to be negotiated at the time of reversion.

C. The Advantages of Early Negotiations

The timing is favorable. If we move now on reversion, we demonstrate an American sensitivity to the concerns of our allies, an ability to forge new and constructive relations with our allies, and an ability to deal in advance with potentially dangerous problems. We will have dealt, in a most timely manner, with the only important and serious issue between ourselves and Japan.

It is our judgment that our bargaining position will never be better than it is now. Sato's political position is strong enough to put across a deal favorable to us on the Ryukyus. He is securely in power for the next few years, having survived in January a major threat to his continued rule. If we begin negotiations immediately, we have very good prospects for getting all the special base rights that we need, plus a Japanese commitment to greater regional responsibilities.

There is always the possibility that Sato will not be able to accept our conditions for reversion. But, in this event, our proposal will place responsibility for delaying reversion squarely on the Japanese Government.

Return of the Ryukyus will also act as a powerful incentive on Japan to undertake broader responsibilities in Asia. The Japanese are

already making an increasing contribution, particularly to the economic development of the non-Communist countries in the region. Return of the Ryukyus will by itself draw Japan into an expanded regional role and inevitably necessitate increased military activities for the defense of this area. But, the Japanese should be urged to do substantially more. The Japanese are not ready yet to play a military role in regional security and we doubt whether most other Asian countries would welcome this at this time. However, if we are going to carry most of the military burden, they should carry a heavier economic burden. One of the prices paid by Japan for reversion should be greater Japanese economic aid to East Asia.

V. The Special Problem of the Bonins and other Western Pacific Islands

We consider that retention of these islands has little military justification. The U.S. does not now maintain any major regional installations on these islands and we have no current plans for any new facilities.

We propose to negotiate the return of these islands as a package with the Ryukyus. However, if it is decided not to negotiate on the Ryukyus, we should agree to a prior return of the Bonins in an effort to try to stem, for a time, pressures for reversion of the Ryukyus.

VI. Congressional Considerations

Return of administration over the Ryukyus and other islands can be accomplished, as was done with several Ryukyuan Islands in 1953, by an Executive Agreement accompanied by a base rights agreement probably with some secret annexes. We anticipate that there will be Congressional opposition to reversion, particularly to return of Iwo Jima and, for this reason, propose to retain the whole island as a military base. However, we believe that there will be substantial support for this action provided Japan makes the commitments recommended below and it is clear that there will be no detrimental effects on our war effort in Vietnam.

92. Memorandum From the Country Director for Japan (Sneider) to the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy)¹

Washington, August 10, 1967.

SUBJECT

Ryukyus/Bonin Reversion Memorandum

1. Dr. Halperin, ISA, has just informed me that Secretary McNamara has approved the draft action memorandum for the President on the Ryukyus/Bonins subject to review of the JCS position and several modifications in the recommendations.

2. He preferred that the advance commitments sought from the Japanese be set forth in the following terms:

(a) Japan will support our use of the Islands for our military purposes and support of our Pacific commitments;

(b) Japan will agree to new special arrangements in which they will give us political support for conventional military and other activities in the Ryukyus;

(c) To enlarge its regional political and economic role in Asia and provide over the next several years a substantially greater economic contribution to the development of Asian countries;

(d) To agree to our retention of the whole island of Iwo Jima as a military base.

3. There is attached for reference purposes the text of the recommendations as set forth in the memorandum sent to Secretaries Rusk and McNamara.²

[Omitted here is a listing of the original recommendations.]

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Nodis.

² See Tab A to Document 91.

93. Memorandum for the Record¹

Washington, August 30, 1967.

SUBJECT

NSC Meeting August 30, 1967, subject: Reversion to Japan of the Ryukyus, Bonins and Other Western Pacific Islands

PARTICIPANTS

The President
Vice President
Secretary of State Rusk
Secretary of Defense McNamara
Secretary of the Treasury Fowler
Under Secretary of State Katzenbach
Director Marks
Director Helms
Mr. W. W. Rostow
General Johnson
Mr. William Bundy
Mr. Bromley Smith
Mr. William Jorden

The President opened the meeting by noting three main questions to be covered:

- (1) The Japanese desire to begin moving toward settlement toward the Ryukyu and Bonin Islands issue;
- (2) our desire for Japanese cooperation in cutting our balance of payment problem, especially the problem in military accounts;
- (3) the need for Japan to do more in economic aid to Asia.

He noted that the upcoming visits of Foreign Minister Miki (Sept) and Prime Minister Sato (November) made consideration of these questions immediately urgent.²

He asked Secretary Rusk to summarize the current situation.

Secretary Rusk said it was in our vital interest to keep Japan a willing partner in the free world and to get them to carry the larger share of the common load. Japan soon will be the third most industrial power in the world. Their help in Viet-Nam has been quiet but important. They have been helping in aid to Asia but should do more. Japan's aid

¹ Source: Johnson Library, National Security File, National Security Council File, National Security Council Meetings, Vol. 4, Tab 56. Top Secret; Exdis. Prepared by William J. Jordan.

² Miki headed the Japanese delegation attending the Sixth Meeting of the U.S.-Japan Joint Cabinet Committee Meeting on Trade and Economic Affairs in Washington from September 13-15.

now represents .65% of the gross national product; the Japanese are aiming at 1%. The Secretary said the coming visit of Prime Minister Sato would provide a good opportunity to raise this question.

The Secretary recalled that under the Truman Administration, he was one of those who favored an early return of the Southern Islands to Japan. He said he was not so anxious to see that now. He reviewed the Security Treaty problem and Japan's constitutional difficulty with any military commitment. He noted the Security Treaty would become subject to revision. The Secretary said that if the Defense Department felt that we urgently need the Islands to carry out our Asian commitments, they would get no argument from the Secretary of State. He noted that there will be elections in the Ryukyu Islands in 1968 and some forward movement toward reversion would have a favorable effect. He said Ambassador Johnson would discuss some interim steps in that direction. He said that we did not want to revise the Security Treaty and that the Japanese Government doesn't seem to want that either. He said that things to be decided were:

- (1) what we need primarily for our defense purposes, and
- (2) the timing and stages of new movement toward reversion.

He thought that action on the Bonin Islands would take much heat out of the Ryukyus question.

Ambassador U. Alexis Johnson called attention to:

- (1) The fact that the issue is *not* removal of bases—Japan favorably desires that we retain military bases.
- (2) This issue is not being artificially created by the Japanese Government. The political situation in Japan and in the Ryukyus is forced upon Sato.

One reason this has received so much attention is that it is "the last remaining issue" between Japan and the United States. Also, the Japanese find it "unnatural" for Japanese territory to be run by an American General.

The Ambassador underlined that Japan did not want to stir up the issue but wanted to keep it under control.

There were two principal questions:

- (1) Under changed administration would we be able to carry out military action from Okinawa in defense of Taiwan and Southeast Asia; he noted under the present Treaty, we are permitted to help Korea directly;
- (2) The nuclear question—under the present Treaty, we could not bring nuclear weapons in without agreement of the Japanese Government.

Prime Minister Sato would not want or expect the Ryukyus to be returned in November. He does want a sense of forward movement.

He himself needs time to deal with this matter, especially to educate his own people on nuclear realities.

Sato wants:

- (1) to enter into negotiations or return of the Bonins, not to remove the bases but to put the Islands under the current Treaty;
- (2) something on the Ryukyus that would look like movement; he would like to settle the Ryukyus issue by 1970.

On interim steps, the Ambassador suggested two possibilities:

- (1) economic—it would be useful to set up an Economic Advisory Committee under the high commissioner with representatives from Japan, the Ryukyus and the high commissioner's office;
- (2) popular election of the Ryukyus Chief Executive who is now chosen by the legislature.

The President asked what we would get out of this.

Ambassador Johnson said that in the Ryukyus, without positive steps, we could get a hostile government.

The President said he wanted to know in all of this—on bases and the Ryukyus—what was in it for the United States. He said we always seem to think of what is necessary or good for others.

Ambassador Johnson said he thought we could get Japan to assume greater responsibilities for security in the Far East. It was not realistic to think of military assistance from Japan, but it was realistic to think of Japan's playing a greater political role. He said we needed to involve them more with us in Asia.

The President asked if Japan could do more economically to assist with our balance of payments problem. Ambassador Johnson said he was sure the Japanese would do more in Asia. He was not sure of balance of payments.

The President said he wanted a list of the things we hoped to get from the Japanese.³

Secretary Fowler said he thought the balance of payments problems should be kept separate from the Ryukyus question. He thought the United States should propose a balance of payments committee. The committee would, among other things, carry out joint accounting of the balance of payments and that this should include military transactions.

Second, he would stress joint US and Japanese planning of military expenditures. He noted that in Japan, plans for 2.8 to 2.9 billion dollars was earmarked for military equipment. He thought there would

³ See Documents 94–96.

be an element of competitive bidding and of shared production. A reasonable share of the proposed outlay (up to one-third) would still defer only part of our unfavorable balance. He raised the desirability of increasing Japan's role in regional cooperation.

Secretary McNamara said he was not much concerned about the reversion problem. He said the issue was: should we maintain our bases there? What are the arguments for keeping bases? As for the Treaty, should we extend it in 1970?

The Secretary said by and large the Japanese were "standing aside" and taking "pot shots" at us. The nuclear threat in that area was not to us but to Japan. He thought the Japanese were going to have to convince us that we should keep the bases.

The President noted that Senator Mansfield was going to Japan and other Far East points to make lectures. He asked for one page memos which would list some of the things he might discuss with Senator Mansfield before the latter's departure.⁴

Secretary Rusk underlined that the Japanese help to us in Vietnam was a secret, and should not be discussed.

As for Japanese criticism, he noted that the voting record of Japan with us in international bodies was as good as any country in the world.

General Johnson said the Joint Chiefs position on Okinawa was very simple: we have commitments in Asia and we must have unrestricted uses of Okinawa as long as we have those commitments.

Director Marks said there were three main problems reflected in press comments in Japan and Okinawa. They were:

- (1) The offenses of US personnel;
- (2) the absence of a collective bargaining for labor; and
- (3) the nuclear problem.

Secretary Rusk raised the possibility of a "mid way point" regarding administration with a Japanese civilian and a United States General sharing administrative responsibilities. The President asked whether a civilian administrator would help the problem.

Ambassador Johnson said he thought this was no answer and didn't get at the heart of the problem.

Mr. Bundy mentioned the "enclave" idea for US bases but said it was an impossible situation since the bases are widely scattered and mixed into non-base areas.

⁴ The memorandum from Rusk, August 31, is in the Johnson Library, Confidential File.

Mr. Rostow asked what percentage of Japan's gross national product was going into military programs and economic assistance.

The President concluded the meeting by saying that we had a good idea what the Japanese want, but he wanted to know what we want.

There was a brief discussion of the elections in South Viet-Nam.

The meeting ended at 1:00 p.m.

William J. Jorden

94. Memorandum From Secretary of Defense McNamara to President Johnson¹

Washington, August 30, 1967.

You have asked for my views on the positions we should take during the Japanese Foreign Minister's visit next month.

I believe we should:

a. Listen to Foreign Minister Miki's proposal for the reversion to Japan of the Ryukyus, Bonins and other Western Pacific islands.

b. Explain to Miki that the issues to be discussed are much broader than the narrow subject of "reversion"—they relate to fundamental issues of U.S. and Japanese foreign and defense policy. The basic question is not "should the Ryukyus 'revert' to Japan," but rather "will the U.S. Congress and the U.S. public support:

1. Extension of the 'one-sided' U.S.-Japanese security treaty beyond 1970.

2. Retention of U.S. military bases in the Ryukyus for the protection of Japan.

3. Retention of stockpiles of nuclear weapons in the Pacific for the protection of Japan."

c. Ask Japan to permit us to compete on equal terms with her own manufacturers for the sale of military equipment to the Japanese government. The objective should be to increase Japanese purchases of U.S. military equipment from the current level of approximately \$60 million per year to approximately \$200 million per year. \$200 million would represent only 40–50% of the expenditures we are currently making in Japan in support of our joint defense.

¹ Source: Johnson Library, Confidential File, CO 141. Confidential.

I would base our approach to the Japanese, both in September and in the next two or three years, on the propositions that: our people will never again allow our nation to “stand alone” in the far Pacific; our bases in that area are there at least as much for the protection of the Japanese as they are for the defense of the United States; and, it will be impossible for us to maintain those bases unless the Japanese move gradually to share the very heavy political and economic costs of providing security to the area.

Robert S. McNamara

95. Memorandum From Secretary of the Treasury Fowler to President Johnson¹

Washington, August 31, 1967.

In response to your request at the National Security Council meeting yesterday, I am attaching my views of what the United States should be saying to the Japanese in forthcoming meetings, beginning with the September 13–15 Joint Cabinet Meetings.

It is important that we pursue these balance of payments objectives with Japan independently and separately, regardless of what may evolve in negotiations over the Ryukyu Islands.

The time has passed for general discussion with Japan of balance of payments cooperation, and we should make the specific points set forth in the attached paper.

Henry H. Fowler

Attachment

TALKING POINTS FOR USE WITH JAPANESE OFFICIALS

1. The U.S. proposes that the U.S. and Japan form a balance of payments committee—under Treasury and Finance Ministry leadership—which would have the following tasks (among others which may be defined):

- a. To discuss each country’s trends and outlooks,

¹ Source: Johnson Library, Confidential File, CO 141. Secret.

b. To maintain a current joint accounting of each country's balance of payments, and

c. To examine the various technical possibilities for balance of payments cooperation, including the field specifically of military transactions.

2. With respect to military-financial planning the U.S. places great importance on complementary U.S./Japanese actions. Within the framework of complementary military roles in the area of Japan and an overall level of defense as determined by the Japanese Government, *we believe there is wide potential for increased Japanese military procurement in the U.S.—up to 1/3 of the \$2.8–2.9 billion in the Five Year Defense Plan earmarked for procurement of new equipment.* (See attached principles for military-financial planning which would also be presented to the Japanese.)

3. We should seek to cover by other financial measures any gap which remains between the receipts from Japanese military procurement in the U.S. and the amount of U.S. defense expenditures in Japan (a gap of probably at least 65%). Such measures would expand current cooperation to consider purchase of long-term (4–5 years) U.S. securities, prepayment of debts (PL 480, GARIOA, etc., amounting to over \$400 million) and repurchase of Japanese securities held by U.S. agencies. Arrangements might consider earmarking the funds invested in securities for increased Japanese contributions to regional economic development at the time of redemption.

4. The U.S. suggests also that we jointly consider other means for balance of payments cooperation and sharing the non-military economic burdens in Asia, such as Japanese actions to: (a) liberalize its outward investment controls (b) seek increased access to European capital markets (c) remove non-tariff barriers (d) expand markets in Europe and reduce reliance on exports to the U.S. (e) expand its economic aid contributions in Asia and (f) assume a larger share of non-military aid to South Vietnam and plan a major role in rehabilitation efforts there after the conflict ends.

Attachment

PRINCIPLES FOR U.S.-JAPANESE MILITARY-FINANCIAL PLANNING

1. Japanese dependence on local industry for military supply principally when it is cheaper than supply from abroad.

2. Japanese acceptance of the principle that U.S. industry should have a full opportunity to compete with third countries for military purchases.

3. Japanese purchase of military equipment from the U.S. whenever it is desirable to do so for cost, technological or military compatibility reasons.

4. Japanese development and production in selected cases where a premium for the technology rather than employment is considered particularly advantageous to the future national, as distinct from solely military, growth.

5. Establishment of a cooperative research and development program, whereby (a) Japanese interests in military technology can be advanced to the maximum possible extent consistent with most efficient use of its budget resources, and (b) projects in the field of equipment co-production can be facilitated.

6. Japanese cooperation in continuing U.S. efforts to reduce the amount of its defense expenditures in Japan.

96. Memorandum From Secretary of State Rusk to President Johnson¹

Washington, September 4, 1967.

SUBJECT

United States-Japan Cabinet-Level Talks

You have asked for my views on what we want from the Japanese with more specific reference to the upcoming Cabinet-level talks:

Fundamentally, we want Japan as a partner—not as a rival—in Asia, but as partner sharing the political and economic burdens of regional responsibility. While we do not now seek a greater Japanese military role, other than in its own defense, Japan's actions should contribute to—and not detract from—effective fulfillment of our military and security commitments to Asia. This is particularly true of any solution to the Ryukyus and Bonins issues.

¹ Source: Johnson Library, Confidential File, CO 141. Secret. The Department of State copy shows the memorandum was drafted by Sneider and cleared by U. Alexis Johnson and Bundy. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US)

During the talks with Foreign Minister Miki and his Cabinet colleagues, I would propose to:

—Adopt largely a “listening brief” on the Ryukyus and Bonins, leaving the way open for more conclusive talks with Prime Minister Sato in mid-November but pointing the Japanese in the direction of interim steps to reduce disparities between Okinawa and Japan and thus to ease our problems of the 1968 Ryukyu elections and Japanese public opinion.

—Spell out the heavy burden we now shoulder for both the security and economic development of Asia.

—Press the Japanese to take on a greater share of regional leadership and the financial burden of economic assistance and of redressing the imbalance in our balance of payments.

In more specific terms, the major objectives I would currently seek from the Japanese:

—Support on key United Nations issues and possibly a role in United Nations peacekeeping in the Middle East if this materializes.

—Continued support and responsible action on Vietnam, with greater economic aid to the Government of Vietnam.

—Adherence to the Non-Proliferation Treaty.

—Matching contributions on major East Asian economic development programs, including the Asian Development Bank Special Funds.

—Significant reduction in our bilateral balance of payments deficit which results in part from increased military-related expenditures in Japan during the Vietnam conflict.

Basically, what we want and need is a still more mature and responsible attitude on the part of Japan towards the threat posed by the Chinese Communists and by the internal instability of the countries on the periphery of China. Japan has a greater stake than we do in countering this threat. It should understand that our ability to maintain continued support from Congress and the American public for our own commitments in Asia could depend on Japan’s assuming responsibilities commensurate with its stake in regional security and stability.

Dean Rusk

97. Telegram From the Department of State to the Embassy in Japan¹

Washington, September 28, 1967, 1627Z.

46082. Subject: Ryukyus and Bonins.

1. Ambassador Shimoda called on Asst. Secretary Bundy Sept 28 preparatory to returning to Tokyo for consultations on Sato visit. Shimoda departing this coming weekend and will be in Tokyo next week. Before reporting directly to Sato, Shimoda wished to check with Bundy his impressions on US position regarding Ryukyus and Bonins. Shimoda at outset reviewed US position as he understood it following Miki talks in Washington as follows:²

2. With respect fundamental issue of reversion of Ryukyus, main points US position:

(a) US has deep understanding of Japanese national aspirations for reversion.

(b) US is ready to discuss fundamental issue of reversion with Sato.

(c) US presently not prepared to state whether it willing to take any forward step on reversion at this time given primary concerns regarding tensions in Far East particularly Vietnam hostilities; only President Johnson will be in position to set forth US views on a forward step and then after talk with Sato.

(d) To increase prospect for favorable answer on forward step, it advisable for Sato express firm GOJ resolution to assume greater responsibility for Asian regional cooperation in political, economic, and social areas and to set forth with clarity GOJ views on Asian security problem.

3. Secondly, US prepared to discuss in preparation for Sato visit interim measures on Ryukyus expanding local autonomy and continuing Japanese cooperation on economic well-being and general welfare Ryukyans.

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Nodis. Drafted by Snieder and approved by Bundy.

² Memoranda of Miki's conversations with Rusk on the Ryukyus and Bonins, September 14 and 16, are *ibid.* and *ibid.*, POL JAPAN-US. Miki also briefly discussed the issue with McNamara on September 15, and a memorandum of that conversation is in the Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4546, 333 Japan. In telegram 1917 from Tokyo, September 21, the Embassy reported on Japanese media, public, and official responses to reports of U.S. hesitation to undertake reversion of the Ryukyus and the Bonins during the Miki visit. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS)

4. Finally, US finds Bonin Islands problem easier to treat than Ryukyus in view lesser degree of importance from security point of view. However, Iwo Jima must be handled as special case due to military factors and sentiment of US people.

5. Shimoda then went on to outline three key aspects of GOJ position as he understood it:

(a) GOJ desires "one step forward on reversion." Shimoda pointed out that Kennedy-Ikeda formula, which reiterated in Sato-Johnson communiqué of 1965, made reversion conditional on change in general situation in Far East and easing of tensions. However, nobody knows when tensions will ease in Far East, particularly given China situation and tensions could continue for long time, in fact indefinitely. As result, there could be sense of impatience and frustration on part Japanese with unfortunate impact on US-Japanese friendship particularly as a result left-wing demagoguery and propaganda on Ryukyus. GOJ therefore hopes for public formulation on reversion not tied to general situation in Far East or waiting for easing of tensions there. Shimoda indicated public formulation along these lines is "real step forward" GOJ desires.

(b) Japanese prepared to discuss interim measures but these should not be considered as sufficient in themselves or replacing some step forward on reversion.

(c) GOJ understands difficulty for US in going very far on Ryukyu reversion but urgently hopes for at least more advanced steps on Bonins.

6. Shimoda also proposed that best means for dealing with specific steps to be taken during Sato visit is to discuss text of draft joint communiqué.

7. Bundy then reviewed Shimoda's impressions of US position and stated they generally correct with the following additional comments. First, with respect to Ryukyu reversion, four points made by Shimoda correctly reflect US views. Additionally, Bundy pointed out importance of discussing regional security problem in broader sense as it related to reversion of Okinawa. There are both practical problems involved in reversion [*1½ lines of source text not declassified*] and broader security problems involved. It also important to consider impact on US public and Congress of public discussions of reversion while we currently involved in intensive phase of Vietnam hostilities. Bundy referred to discussions between Miki and Secretary on timing factor in Ryukyu reversion, specifically 1968 Okinawa elections, security treaty review in 1970 and understandable desire not to have both this and Ryukyu problems acute at same time, and US elections which any US President must be mindful of in considering major new foreign policy actions. He concluded that given Vietnam situation and political problems involved,

it doubtful whether public and firm process of discussion of reversion and real move in this direction possible before late 1968.

8. Bundy also confirmed readiness to discuss interim measures and to take a hard look at Bonins as action separate from Ryukyus. Re Bonins, he emphasized that no final decision made and we concerned whether action on this issue would be considered step forward or would instead increase public pressures in Japan for Ryukyu reversion. He also confirmed desire consider Iwo in separate category.

9. On three points in GOJ position set forth by Shimoda, Bundy commented:

(a) US appreciated Japanese desire for step forward and prepared to take hard look at alternate ways of stating formula on reversion.

(b) US understood interim measures may not be enough alone but felt they could have significant impact particularly on Ryukyus.

(c) US appreciated GOJ hopes on Bonins.

10. Bundy also stated willingness to consider GOJ proposals on communiqué language and referendum to President and Sato, it was agreed this best done in Tokyo.

11. Also pointed out to Shimoda another important area for US would be making headway before Sato visit on balance of payments problems raised with Japanese during Cabinet Committee meeting. Shimoda asked whether publicity on this necessary in communiqué³ and Bundy replied that such balance of payments assistance done quietly in past and there no need for publicity. In response Shimoda question, Bundy also said that we have no strongly fixed views on manner of talks but it important to move ahead before Sato visit. Shimoda commented that US proposal balance of payments assistance had hit Finance Ministry like “thunderstorm.”

12. Shimoda also mentioned re nuclear problem that it had been tendency in Japan to discuss specifics such as whether Mace B in Okinawa could be replaced by Polaris system but that such discussions not useful at this time. It more important to consider political and psychological impact of withdrawal of nuclear weapons than military aspects. [6 lines of source text not declassified]

Katzenbach

³ A general reference to the balance-of-payments issue was included in Section II, paragraph 2 of the Joint Communiqué issued on September 15 at the close of the committee meeting. The text appears in Department of State *Bulletin*, October 9, 1967, pp. 452–455. Shimoda’s comment most likely refers to the anticipated communiqué to be issued upon completion of the Sato visit.

98. Memorandum From the Executive Secretary of the Department of State (Read) to the President's Special Assistant (Rostow)¹

Washington, October 13, 1967.

SUBJECT

Sato Visit—Preparatory Meeting

A meeting in the White House is scheduled on October 16 at 4:00 p.m. to discuss preparations for the visit of Prime Minister Sato on November 14–15.² A considerable amount of work in spelling out our objectives for this visit was done in preparation for the Cabinet level talks in mid-September. For your background in preparing for the Monday meeting, the key points on the visit are summarized below.

Setting:

Sato's visit takes place at a time when United States-Japan relations are at a high point. They are seriously clouded only by the unresolved territorial issues of the Ryukyus and Bonins, but even here there is recognition of the need to resolve these issues without acrimony and with due regard to the problems involved for both countries and the need to strengthen our bilateral relationship. Sato also comes to Washington holding strong domestic political cards and with his economy booming. The only threat to his position and that of friendly conservative ruling elements is serious mishandling of the Ryukyu and Bonins issue.

Finally, Sato has set the stage for his Washington visit by a major swing throughout East Asia demonstrating Japan's pretensions for regional leadership with due sensitivity to residual local apprehension regarding a revived "co-prosperity sphere." During his travels, Sato has voiced stronger support for United States Vietnam policies and will

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN. Secret; Exdis. Drafted by Sneider; cleared by Berger.

² Neither the President nor Rusk attended this meeting. (Johnson Library, President's Daily Diary, and *ibid.*, Rusk Appointment Books, 1967) President Johnson was given a copy of this document along with a concise summary of its contents prepared by Alfred Jenkins. (*Ibid.*, National Security File, Country File, Japan, Visit of Prime Minister Eisaku Sato, November 14–15, 1967)

have visited both Taiwan and South Vietnam, areas of particular political sensitivity in Japan.³

United States Objectives:

In broad terms our objectives during the Sato visit look both to the past and to the future:

—We want and need to reaffirm Japan as our primary partner in Asia.

—Looking to the future, we seek to convert this partnership into a relationship in which the political and economic burdens of regional responsibility are shared more fully.

Spelling out these objectives in more specific terms, we seek:

—A greater sense of Japanese commitment to securing free world interests in the region and a more responsible attitude towards the threat posed by the Chinese Communists.

—Further concrete expressions by Japan of regional leadership.

—Support on key United Nations issues and possibly a role in United Nations peacekeeping in the Middle East if this materializes.

—Continued support and responsible action on Vietnam, with greater economic aid to the Government of Vietnam.

—Adherence to the Non-Proliferation Treaty.

—Further substantial contributions on major East Asian economic development programs, including the Asian Development Bank Special Funds.

—Significant reduction in our bilateral balance of payments deficit which results in part from increased military-related expenditures in Japan during the Vietnam conflict.

Major Problems:

Our major problems during the visit will be twofold. First, we will need to obtain, in more concrete terms, commitments from the Japanese on picking up a greater share of the financial burden for regional assistance and redressing the imbalance of our bilateral balance of payments. Secondly, we will need to work out a formula for tidying over

³ Sato traveled throughout Southeast Asia during the autumn. In addition, Miki spoke before the America-Japan Society in Tokyo on October 5, giving what the Embassy characterized as perhaps the “most forthright public statement to date from high GOJ official in support U.S. policy in Vietnam.” The Embassy continued by noting that Miki’s speech coupled with Sato’s supportive comments during his visit to Bangkok elevated the Japanese position toward the Vietnam war to “new high level of moral support.” (Telegram 2300 from Tokyo, October 5; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 15–1 JAPAN) Telegram 2289 from Tokyo, October 5, contains the complete text of Miki’s speech. (Ibid., POL 1 JAPAN–US)

the difficult territorial issues. The Japanese apparently recognize that we are not now in a position to make any firm commitment on reversion of the Ryukyus, but they want a “step forward”—the terms of which are still to be worked out. The Japanese would, however, like a commitment on the early return of the Bonins, an issue still to be resolved within our Government.⁴

James Walker⁵

⁴ The resolution of the reversion issue generated several high-level meetings and various proposals and discussions in an effort to work out differences between diplomatic and military interests and between U.S. and Japanese positions. Documents tracing the evolution of decisions and agreements on that and other issues prepared in advance of the Sato visit are *ibid.*, POL JAPAN-US, *ibid.*, POL 7 JAPAN-US, *ibid.*, POL 17 JAPAN-US, *ibid.*, POL 18 RYU IS, and *ibid.*, POL 19 BONIN IS; and Washington National Records Center, OSD/OASD/ISA Files: FRC 330 72 A 2468, Okinawa, 323.3, *ibid.*, FRC 71 A 4546, 333 Bonin Islands; Johnson Library, National Security File, Country File, Japan, Vols. VI and VII, *ibid.*, Visit of Prime Minister Eisaku Sato, November 14–15, 1967, *ibid.*, Country File—Addendum, Japan, and *ibid.*, Meeting Notes File, November 4, 1967—Meeting with Foreign Policy Advisers.

⁵ Walker signed for Read above Read’s typed signature.

**99. Memorandum From the President’s Special Assistant
(Rostow) to President Johnson¹**

Washington, October 27, 1967, 6:45 p.m.

SUBJECT

The Ryukyu–Bonin Islands and the Sato Visit

As you know a major subject during Prime Minister Sato’s visit in mid-November will be the future status of the Ryukyu and Bonin Islands.

The situation is very fluid in Japan on this subject just now, and Ambassador Johnson is anxious to receive your approval of a U.S. position for purposes of negotiating the Sato visit communiqué.

Essentially, Sato does not want a fight with us on this issue. He is willing to follow our lead within reason, but he needs to know approximately what we are willing to do before he can give the lead in turn to the Japanese. He needs that lead at this point.

¹ Source: Johnson Library, National Security File, Country File, Japan, Visit of Prime Minister Eisaku Sato, November 14–15, 1967. Secret.

At Tab A is a memo from the Secretary of State requesting your approval of a negotiating position in the form of draft language for the Sato visit communiqué (Tab B).²

At Tab C is a proposed telegram to Tokyo explaining our position.

The Secretary's memo sets forth the issues clearly. I believe it is not essential that you read Tabs B and C at this time.

I recommend that you approve the Secretary's recommendation in Tab A.

Secretary McNamara has reviewed and approved the recommendation.

Walt

Approve

Disapprove

See Me³

Tab A

Memorandum from Secretary of State Rusk to President Johnson⁴

Washington, October 27, 1967.

SUBJECT

Visit of Prime Minister Sato

*Recommendation:*⁵

That you authorize negotiations with the Japanese Government of draft communiqué language embodying:

a) A commitment to enter into early negotiations for the return of the Bonin Islands (permitting, however, United States retention of the whole island of Iwo Jima as a military base); and,

² Tabs B and C are attached but not printed.

³ President Johnson checked this option and added a handwritten note: "Let's meet on this with JCS spokesman present. L."

⁴ Secret; Nodis. The Department of State copy indicates the memorandum was drafted by Sneider and cleared by Bundy, Aldrich, Macomber, and Halperin. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN)

⁵ The President neither approved nor disapproved the recommendation.

b) Interim measures relating to the Ryukyu Islands which would not commit us to return these islands,

on the understanding that these commitments would be subject to final approval by you and Prime Minister Sato at your November 14–15 meetings.

Discussion:

The major issues we anticipate during the visit of Prime Minister Sato will be twofold: First, Japanese willingness to shoulder a greater share of the political and economic burdens of regional responsibility; and second, our response to Japanese desires for forward movement on reversion of the Ryukyu and Bonin Islands.

In preparation for the Sato visit, I stressed to Foreign Minister Miki in mid-September the actions we sought from Japan as a contributing partner in the region and our inability primarily for security reasons to make a commitment at this time on the return of the Ryukyus. At Miki's request, I said we would give serious consideration to reversion of the Bonin Islands in the near future but in this event Iwo Jima would have to be treated as a special case.

The Japanese have responded very positively to my talks with Miki. Both Sato and Miki have come out with strong statements of support on our Vietnam policies, particularly on the bombing issue, and Sato during his two trips through Asia has begun to exercise the regional leadership we seek from Japan. Furthermore, the Japanese leaders have made concerted efforts to dampen down expectations for immediate reversion of the Ryukyus, stressing the key relationship of our military position on Okinawa to their own and regional security.

Ambassador Johnson informs me that he expects Sato to be helpful on both increased assistance to Southeast Asia and on our balance of payments problem, if we can be responsive to his desire for forward steps on the Ryukyus and particularly the Bonins to help stem reversionist pressures. Sato faces increasingly heavy political and public demands to obtain substantial progress in the resolution of these issues. His failure to obtain any significant response from us will be politically damaging to him and could lead to serious problems in our relations with Japan as well as with the local populace in the Ryukyus. In the Ambassador's views, the key factor will be our willingness to enter into negotiations for return of the Bonins and he has requested earliest guidance on this matter before undertaking further talks with Miki.⁶

⁶ In telegram 2585 from Tokyo, October 17, U. Alexis Johnson sent Rusk his evaluation of the Bonins issue. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN)

On the other hand, the Japanese recognize the complex problems inhibiting immediate reversion of the Ryukyus, although they need to be able to show evidence of forward motion in this area. We are therefore proposing (1) interim steps which would not involve any further commitment on our part to Ryukyu reversion, but would slightly change the public formula on reversion and would provide for further identification of the Ryukyuan people with Japan and (2) agreement to subsequent periodic review of the status of the islands in light of the related security problems.⁷

At present the United States has few military installations in the Bonins. Military personnel as of June 30, 1967 totaled 77 (33 Navy and 44 Air Force), plus 3 United States civilians and 55 foreign-national civilians employed by the Navy. The principal installations are: (1) a naval facility on Chichi Jima used to support patrolling operations in the Philippine Sea; (2) a stand-by airfield on Iwo Jima capable of supporting major operations; (3) a smaller airfield on Marcus Island; (4) a weather reporting facility; and, (5) a stand-by nuclear weapons storage facility (details on United States installations are enclosed).

The Joint Chiefs of Staff would prefer to retain administrative rights over the Bonins for contingency purposes and until the political status of the Trust Territory of the Pacific Islands is resolved. As a fallback position, they would agree to return all the Bonin Islands except Iwo Jima and Chichi Jima, and to consult with the Japanese on the military utility of these two islands to Japan and the United States. Since most of the Bonin Islanders now residing in Japan had lived in Chichi Jima, retention of this island would create serious problems in Japan. Retention of the naval facility in Chichi Jima under the Security Treaty provisions and of the whole island of Iwo Jima as an emergency stand-by base could, however, serve to meet our contingency requirements. To emphasize that return of the Bonins represents a step toward shared responsibility for the region, it is also proposed to seek Japanese agreement to assume larger defense responsibilities in the area, while agreeing to our retention of other stand-by facilities as required.

Retention of Iwo Jima as a military base is also recommended because of anticipated adverse public reaction in this country to its

⁷ In addition, the High Commissioner and the Ambassador approved of political change on the Ryukyus to foster autonomy by agreeing to propose the direct election of the Chief Executive of the Islands. Given the unsettled political atmosphere on the Islands at the time, however, implementation of the change would be postponed to a future, unspecified date. (Telegram from HICOMRY (Naha), October 8, and telegram 2608 from Tokyo, October 10; both *ibid.*, POL 19 RYU IS)

return. However, the Japanese in preliminary talks with us have strongly resisted our retention of Iwo Jima and suggested instead a United States memorial park on Mount Surabachi. Ambassador Johnson is concerned that retention of Iwo Jima could significantly detract from the value of Bonins reversion unless we can make a strong case on security grounds.

Secretary McNamara has reviewed and concurs in the recommendation made above. If you approve this recommendation, we also propose to undertake immediately the necessary consultations with the Congressional leadership to obtain its reaction before final approval is given to the draft communiqué during the Sato visit.

Dean Rusk

**100. Memorandum From the President's Special Assistant
(Rostow) to President Johnson¹**

Washington, November 3, 1967.

Mr. President:

This is a supplementary note to give you more clearly the position in the government on the reversion of the Bonins to Japan.²

The attached proposal is agreed by Secretaries Rusk and McNamara. General Wheeler was personally willing to go along; but the Joint Chiefs did not agree.

Essentially, the Joint Chiefs believe that we should retain the option to base nuclear weapons at our installations on Iwo Jima and Chichi Jima without the consent of Japan, should this be necessary, and they would not return administrative rights to these islands until Japan

¹ Source: Johnson Library, Meeting Notes File, November 4, 1967, Meeting with Foreign Policy Advisers. Secret.

² According to an October 30 memorandum from Bundy to Rusk negotiations between U. Alexis Johnson and Miki on October 28 confirmed that the Japanese were willing to provide increased economic aid to Southeast Asia and balance-of-payments assistance to the United States. In addition, they intended to assume an expanded defense role over the Bonins and Western Pacific area, if the Bonins reverted back to Japan. Bundy concluded that the Japanese proposals met U.S. objectives for Japan to play a larger role in Southeast Asia and to expand their own defense efforts. (National Archives and Records Administration, RG 59, Central Files 1967-69, POL 19 RYU IS)

permitted nuclear storage.³ The Joint Chiefs fear that by yielding our rights to nuclear storage in the Bonins we would set a precedent which would make it more likely that the Japanese would refuse nuclear storage in Okinawa. Additionally, the JCS are reluctant to accept at this time the Japanese offer to assume major defense responsibilities in and around the Bonins area.

We do not now store any nuclear weapons in the Bonins and do not have any plans to do so. Secretaries Rusk and McNamara believe that agreeing to a return of the Bonins without rights for nuclear storage would not in any way prejudice our case for insisting on nuclear storage in the Ryukyus. A request for nuclear storage rights on islands where we now maintain very small bases and only 77 military personnel would hardly be understandable to the Japanese.

Secretaries Rusk and McNamara believe, and I concur, that acceptance of the Joint Chiefs' position would risk serious strains in our relations with Japan, and decrease the prospects of Japan's responsiveness for support on Viet Nam, balance of payments, and other issues. At Tab A is a memorandum to you from Secretary Rusk, in whose recommendation Secretary McNamara has concurred.

As for procedure, I recommend that you have a meeting with Secretaries Rusk and McNamara and General Wheeler. At that meeting you let General Wheeler present the argument of his military colleagues. And then, if you agree with Secretaries Rusk and McNamara, you could make your decision and let Buzz Wheeler report to the JCS that their argument had been heard, before you made a final decision.

What lies behind the JCS holding to what is, in fact, a marginal position, is an old view deep in the Pentagon; namely, that to make any concession to the Japanese with respect to the Ryukyus and Bonins is to put us on a slippery slope. The fact is that the old, immediately pre-war relationship is changing and must change. Our objective can only now be a gradual and judicious transition into a new relationship in which the Japanese take increased responsibility as a partner as we alter the essentially occupation status on the islands. At the moment they are assuming more partnership responsibility in aid and monetary affairs; and they should do more. The transition to military partnership will take longer.

³ According to a November 2 memorandum from Bundy to Rusk, the Joint Chiefs advocated complete retention of Iwo Jima and Chichi Jima by the United States. Berger, who signed the memorandum, noted in the margin that JCS resistance to reversion of the Bonins centered in the Navy, whose contingency plans foresaw using the Bonins as an "alternate base if Guam is destroyed by Chicom nuclear subs!" (Ibid.)

Recommendation

That, if you approve the State-Defense language in the attached draft (Tab B), you call a meeting to hear argument as suggested.

Walt

Approved⁴

Disapproved

See me

Tab A

Memorandum From Secretary Rusk to President Johnson

Washington, November 3, 1967.

SUBJECT

United States Position on Reversion of the Bonins

Recommendation

That you approve Ambassador Johnson presenting to the Japanese Government language concerning the Bonin Islands in accordance with Tab B attached.⁵

Discussion

Secretary McNamara, the Joint Chiefs of Staff, and I are fully agreed on the general principle that we should undertake to enter into immediate consultation with the Japanese with a view to the early return of administration of the Bonin Islands to Japan.

⁴ The memorandum shows that President Johnson approved the recommendation.

⁵ Both options were left blank on the memorandum. The Department of State copy indicates that the recommendation was approved. (National Archives and Records Administration, RG 59, Central Files 1967-69, POL 19 BONIN IS) On November 5 Rusk and McNamara instructed U. Alexis Johnson to present to the Japanese the U.S. position, including reserving "the right to discuss potential nuclear weapons storage in the Bonins" during consultations on reversion of those islands. (Telegrams 65117 and 65118 to Tokyo, both November 5; *ibid.*, POL JAPAN-US; and telegram 65120 to Tokyo, November 5; *ibid.*, POL 19 BONIN IS) Also on that day the President approved the start of Congressional consultations on the reversion issues. (Memorandum to the President, November 5; *ibid.*, POL 19 RYU IS) Documentation regarding consultations with Members of Congress is *ibid.*; Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4546, 333 Bonin Islands; and Johnson Library, National Security File, Country File—Addendum, Japan.

In the light of the proposal of the Joint Chiefs of Staff to preserve a right to store nuclear weapons on Iwo Jima and Chichi Jima, Secretary McNamara and I have reviewed the possibility that an exception should be made, for purposes of the communiqué, regarding these two islands. We have noted that the general language in our proposal would in any event permit us to negotiate for the retention of appropriate "military facilities and areas" on these islands or any other part of the Bonins. The language on this point has been strengthened since the matter was discussed with you on October 31.⁶

In the light of this strengthened language, our conclusion is that the proposal fully protects whatever military needs we wish to retain. We believe that to exempt Iwo Jima and Chichi Jima from the overall principle of return of administration to Japan is not required for any foreseeable military purpose.

In reaching this conclusion we have given particular weight to the question of possible nuclear storage in the Bonins. We do not now station any nuclear weapons there, and do not have any plans to do so. We therefore do not believe that it should be necessary to press for retaining the right for nuclear storage in working out the return of administration to Japan. Nor do we believe that failure to achieve such rights would in any way prejudice our serious case for insisting, at some point, on a right of nuclear storage in the Ryukyus. Furthermore, even if we were to so conclude in the future, the general language in the attached proposal would permit us to negotiate the matter with Japan.

Secretary McNamara and I thus conclude that the language in the attached proposal fully protects our military needs and is a wise and essential move at this time in the overall framework of our relations with Japan, including our desire to obtain more firm Japanese support on Vietnam and favorable action by Japan particularly with respect to our balance of payments problems.

Dean Rusk

⁶ The matter was discussed at the Tuesday Luncheon Meeting attended by Rusk, McNamara, Helms, Wheeler, Tom Johnson, Christian, and Rostow. (Johnson Library, President's Daily Diary) No other record of this meeting has been found.

Tab B⁷**DRAFT LANGUAGE FOR SATO COMMUNIQUÉ
ON THE BONIN ISLANDS**

The President and Prime Minister also reviewed the status of the Bonin Islands and agreed that the mutual security interests of Japan and the United States could be accommodated within the arrangements for the return of administration of these islands to the GOJ.

They, therefore, agreed that the two Governments will enter immediately into consultation regarding the specific arrangements for accomplishing the early restoration of these islands to Japan without detriment to the security of the area. These consultations will take into account the intention of the Japanese Government, expressed by the Prime Minister, gradually to assume much of the responsibility for defense of the area. The President and Prime Minister agreed that the United States would retain such military facilities and areas in the Bonin Islands as required in the mutual security of both countries.

The Prime Minister stated that the return of the administrative rights over the Bonin Islands would not only contribute to solidifying the ties of friendship between the two countries but would also help to reinforce the conviction of the Japanese people that the return of the administrative rights over the Ryukyu Islands will also be solved within the framework of mutual trust between the two countries.

⁷ This copy of Tab B is *ibid.*, National Security File, Files of Walt Rostow, Meetings with the President, July to December, 1967.

101. Editorial Note

Although the United States and Japanese Government officials focused their attention on the reversion question throughout the second half of 1967, both sides continued to work toward reaching an agreement on the entry and berthing in Japanese ports of nuclear-powered surface ships (NPSS). After the details of the NPSS visits were resolved, the Japanese accepted an aide-mémoire, and the exchange of notes on November 2 set the stage for the arrival and mooring of nuclear-powered warships in specified ports in Japan. The first was the USS *Enterprise*, which arrived on January 19, 1968, at Sasebo. Documents pertaining to the negotiations and finalization of the agreement, as well

as copies of the aide-mémoire, United States Embassy note, and Japanese Foreign Ministry note are in the National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 7 JAPAN–US.

102. Memorandum of Conversation Between the President's Special Assistant (Rostow) and Kei Wakaizumi¹

Washington, November 11, 1967.

1. Mr. Wakaizumi began by handing me the attached letter from Prime Minister Sato formally introducing him as a “confidential personal representative.”²

2. Wakaizumi reported that he had spent several hours with the Prime Minister after his previous talk with me.³ He had put it to the Prime Minister as strongly as he could that President Johnson was bearing on behalf of Asia enormous burdens. He urged that the Prime Minister approach President Johnson with a fundamental understanding of those burdens and the need for Japan to act in the following ways:

- with the most candid statement of support for our position in Viet Nam;
- with a readiness to assist in our balance-of-payments problem;
- with a readiness to expand generously assistance in aid to Asia, notably by increasing Japan's contribution to the soft-loan window of the Asian Development Bank up to \$200 million.

He said that he thought the Prime Minister would come in this spirit with that intent.

3. He then turned to the central purpose of his visit, which was the language on the Ryukyus. He said that Prime Minister Sato appreciated our movement on the Bonins, but he needed some greater sense of movement on the Ryukyus, notably with respect to timing.

¹ Source: Johnson Library, National Security File, Country File, Japan, Vol. VII. Secret; Sensitive.

² Attached but not printed. In advance of this meeting, Rostow was informed by the Department of State that Wakaizumi was “the latest of a number of unofficial Sato emissaries to Washington sent to sound out our views before Sato arrives. This is typical of Sato's operation. He likes to get advice from a number of quarters before deciding how to play his hand.” (Memorandum from Read, November 10; *ibid.*)

³ The meeting was held on October 27 and focused on the reversion of the Ryukyus and the Bonins. Rostow sent an account of the meeting to President Johnson, who read it. (Memorandum of Conversation; *ibid.*, Vol. VI)

4. I then stated to Wakaizumi the three factors which made us reserved with respect to any indication of timing on the Ryukyus:

—We could not predict the length of the war in Viet Nam;

—We could not predict what problems we might confront with the Chinese Communists;

—[2½ lines of source text not declassified]

5. Therefore, we felt there was danger in raising the expectations of the Japanese people excessively with respect to the timing of the return on the Ryukyus, since Japanese political life was focused less on the security problems of Japan and Asia than they were on the simple nationalist issue of administrative return.

6. Wakaizumi said that he understood these three points fully. He had, indeed, argued with Prime Minister Sato that this was a very bad time to raise the issue of the Ryukyus. He said that Prime Minister Sato also understood these three points; but he was faced with a rising and passionate political pressure for movement on the Ryukyus even from pro-Americans in Japan.

7. He then laid before me the following proposed language, which is a modification of the previously proposed Japanese text.

“As a result of their discussion, the President and the Prime Minister agreed that the two governments, guided by the aim of returning the administrative right over the Ryukyu Islands to Japan [at an earliest possible date]⁴ should hold consultations through diplomatic channels to examine matters pertaining to the reversion *with a view to reaching within a few years, an agreement on a date satisfactory to the two governments for the reversion of these islands.*” (proposed new language underlined)⁵

8. He then said these things:

—Prime Minister Sato does not want in fact an early return of the Ryukyus. He thinks that this would be bad for the security of Japan and Asia.

—He believes that by promising to set a date within a few years, the time of actual reversion could be pushed ahead to 1975 or even 1980.⁶

—The actual time, in Sato’s judgment, would depend on when Japan would accept arrangements for the Ryukyus “fully compatible

⁴ Brackets in the source text and text struck through.

⁵ Printed here as italics.

⁶ The thrust of Sato’s proposal was accepted and his desire to reach an agreement “within a few years” was reflected in paragraph VII of the joint communiqué issued on November 15 at the conclusion of the Sato visit. (Department of State *Bulletin*, December 4, 1967, p. 745)

with its remaining an effective military base” for the U.S., Japan, and Asia. [2½ lines of source text not declassified]

9. I said that I would transmit this formula to the President.⁷

10. Wakaizumi then added the following:

—Sato would wish to discuss this particular issue alone with the President without his two Ministers being present.

—He would be grateful if I could let him know tomorrow or Monday what our reaction was to this formula. He is staying at the Washington Hilton, but he is not in touch with the Japanese Embassy. He will see Sato on his arrival Monday⁸ evening at Blair House.

—He inquired whether we thought there was anything in the distinction between “offensive” and “defensive” nuclear weapons—a distinction which certain Japanese commentators were developing with respect to the future of Japan’s relation to nuclear weapons. I said that I would consult my colleagues, but my view was that all nuclear weapons were essentially defensive since they were designed to deter nuclear blackmail and nuclear war.

11. Incidentally, Wakaizumi said that in his press club speech on November 15, he believes Prime Minister Sato will be forthcoming, in general, on Viet Nam; back strongly the San Antonio formula and reciprocity in connection with the bombing cessation;⁹ and hit hard against the “yellow menace” argument.¹⁰ Wakaizumi had furnished to Sato USIA translations of both the San Antonio speech and President Johnson’s remarks about the “yellow menace,” to both of which Prime Minister Sato is reported to have reacted most positively.

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⁷ When passing the information to President Johnson, Rostow commented that Sato was willing to make major concessions on aid and balance-of-payments assistance for help on the reversion question and that he should be asked to pay “a high price for our political help to him.” (Memorandum to the President, November 11; Johnson Library, National Security File, Country File, Japan, Vol. VII)

⁸ November 13. On Sunday evening, November 12, Wakaizumi dined at Rostow’s home, where they had a short, private meeting at Wakaizumi’s request “to assure that his message was absolutely clear.” Wakaizumi then read an abbreviated version of his previous comments to Rostow. (Memorandum for the record, November 13; *ibid.*)

⁹ President Johnson addressed the National Legislative Conference at San Antonio, Texas, on September 19. In that speech, the President expressed his willingness to stop all bombing of North Vietnam if and when the North Vietnamese agreed to cease hostilities and begin negotiations toward a peaceful settlement of the war. (*Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1967*, pp. 876–881)

¹⁰ President Johnson spoke out against suggestions of a “yellow peril” in Asia by repudiating racism of any sort and stating that the U.S. mission in Vietnam was to end totalitarianism and ensure freedom for all without regard to race. His comments were included in remarks made when presenting the Medal of Honor on October 25 to Major Howard V. Lee, who served in Vietnam. (*Ibid.*, pp. 943–944)